# FOREIGN AFFAIRS
## AN AMERICAN QUARTERLY REVIEW

JULY, 1930

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The Editors.

FOREIGN AFFAIRS

Vol. 8 JULY, 1930 No. 4

# THE LONDON NAVAL CONFERENCE: AN AMERICAN VIEW

*By Walter Lippmann*

## I. THE REASONS FOR CALLING THE CONFERENCE

IN the year 1929 there were two impelling reasons for opening negotiations aimed at the further limitation of naval armaments. The Washington Treaty[1] had provided for a holiday until 1931 in the construction of capital ships. Thus when Mr. Hoover became President in March 1929 he knew that within a short time he would have to face the question of building battleships. The treaty had authorized the United States to lay down fifteen new battleships of 35,000 tons' displacement between 1931 and 1939. It had authorized Great Britain to do the same. It had authorized Japan to lay down nine battleships. If the cost of one of these ships be estimated at fifty million dollars there was here the prospect of an expenditure of three quarters of a billion dollars on the part of the United States, and of nearly two billions by the three Powers combined. The common sense of the civilians fortified by the increasing skepticism of naval men abroad as to the value of battleships revolted against this destructive expenditure. It was evident that steps would have to be taken before 1931 to avert it.

An even more impelling reason for opening negotiations was presented by the situation in respect to cruisers, destroyers and submarines. They had not been regulated under the Washington Treaty. Beginning in 1924 a race of armaments had developed in these classes and after the failure of the Geneva Conference of 1927 the race had become a dangerous disturbance to the peace of the world. There was undisguised rivalry between Britain, Japan and America in large cruisers, a great tension between Britain and France over submarines, an out and out competition between France and Italy in all three categories.

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[1] Signed February 6, 1922.

Mr. Hoover acknowledged the need of agreement in his Inaugural Address, and the Baldwin government, which was soon to be replaced by the MacDonald government, was equally aware of the necessity.[2] Active negotiations began immediately after the appointment of General Dawes as Ambassador to Great Britain, and were given a great impetus by a speech delivered on April 22, 1929, by Ambassador Gibson at Geneva before the Preparatory Commission for the Disarmament Conference. Mr. Hoover continued to push the negotiations and to arouse public sentiment.[3]

## II. THE RACE OF ARMAMENTS

The London Conference had as its chief objective the ending of a menacing race of armaments in which all five Powers were engaged. In order to reach an understanding of the issues at the Conference it is necessary to fix in mind the specific character of this race of armaments.

We may ignore for the present all paper ships and confine ourselves to ships actually laid down between the Washington Conference of 1922 and the London Conference of 1930. There are four classes of vessels to be considered: cruisers carrying 8″ guns, cruisers carrying 6″ guns or less, destroyers, and submarines.

In this eight-year period there had been enormous construction of large cruisers. The five Powers had laid down fifty-two of them as follows: Great Britain fifteen, United States thirteen, Japan twelve, France six, Italy six. That this was competitive building in a most dangerous sense is disclosed by the timetable on which these ships were laid down. Japan began with two of them in 1922. The race began in earnest two years later. In 1924 Britain laid down five, Japan four, and France one. At the end of that year Congress authorized eight, and appropriations were made the next year for five, but none was actually laid down. In 1925 Britain laid down two more, Japan two more, and France one more, and Italy entered the race by laying down two to even up matters with France. In 1926 the United States laid down its first big cruiser, Britain laid down two more, and France one more. The next year the United States again laid down one, Britain laid down five, Japan two, and France one. That was the year of the failure of the Geneva Conference. It resulted immediately in a great increase of American building. In 1928 the United States laid down six big cruisers, Britain one, Japan two, and France one. The year 1929 saw the reopening of negotiations and there was a lull in new construction, except that France laid down one ship, and Italy, to even up, laid down four. In 1930, when the Conference was to assemble, the United States laid down five ships.

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[2] Cf. statement of British Foreign Secretary in Parliament, February 6, 1929; also statement of the British Ambassador, Sir Esme Howard, on February 15, 1929.

[3] Cf. Memorial Day speech, May 30, 1929. Statement of Secretary Stimson, May 31. Joint Communique on conversation at Forres between the Prime Minister and Ambassador Dawes. Speech by Mr. MacDonald at Lossiemouth, June 18. Speech by Ambassador Dawes at Pilgrims Dinner, June 18. Arrival of Ambassador Gibson in London to confer with Ambassador Dawes, June 24. King's speech read to Parliament, July 2. Statement of President Hoover on military expenditure, July 23. Statement of Prime Minister suspending construction of two cruisers, July 24. Proclamation of Kellogg Pact, July 24. Letter by President Hoover to American Legion, July 31. Statement by Mr. MacDonald, August 20. Speech by Ambassador Dawes, August 20. Speech by Mr. MacDonald before Assembly of League, September 3. President Hoover's denunciation of Shearer, September 6. Announcement of Mr. MacDonald's visit to the United States, September 12. Joint statement by Mr. MacDonald and Mr. Hoover, October 9.

What had actually happened was that from 1924 to the Geneva Conference Britain and Japan set the pace by creating great fleets of big cruisers. Until the Geneva Conference the United States refrained from competing, hoping to end the race by treaty. After the Geneva Conference collapsed, the United States having made it plain that it intended to close the gap, Britain and Japan paused and acknowledged that if the United States meant to compete they did not desire to continue the competition. Italy, which had also been left behind, made a spurt to catch up with France.

When the Powers accepted the invitation to the London Conference one principle alone had been definitely established: the futility of competition between Britain and America. Japan, though it did not claim parity, was claiming a better ratio in cruisers than the 60 percent she accepted in capital ships in Washington. The ratios as between Britain and France, and as between France and Italy were in dispute.

So much for the big cruisers. In the smaller cruisers there had been a certain amount of building, but except as between France and Italy, it was not seriously competitive in this class.[4] The reason was that Britain had already an overwhelming superiority, and the American Navy during this period was wedded to the dogma that only the big cruiser was desirable. It proposed to use a superiority in big cruisers to offset Britain's superiority in small cruisers and when agreement was reached on the principle of Anglo-American parity one of the technical questions which had to be settled was the comparative rating of 8″ gun and 6″ gun cruisers.

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[4] Japan laid down four, France five, and Italy six.

During the eight-year period the United States possessed a large number of destroyers which were not over age. Except that it completed three in 1922 it did no building of destroyers. Japan laid down forty-seven, France fifty, Italy thirty-seven, and Great Britain twenty-two. This spurt in destroyer construction was a response to the immense construction of submarines. Japan laid down thirty-five submarines, and completed forty-eight, many of which had been laid down before the Washington Treaty. France set the pace in Europe. She laid down sixty-seven submarines, over two-thirds of them after 1926. Italy laid down thirty-two, all of them after 1925, and Great Britain nineteen. The United States laid down only three, although it completed forty-two.

Thus in the eight years following the Washington Conference, a period marked by such notable events as the practical operation of the League of Nations and the World Court, the signature of the Locarno Treaties and the Pact of Paris, the five leading naval Powers actually laid down and started to build 379 new warships, displacing nearly a million tons (997,963). They had in addition authorizations and plans for an indefinitely larger amount. As most of this building was essentially competitive, the urgent need of a treaty of limitation was patent.

### III. THE CLAIMS OF THE POWERS

The figures I have mentioned thus far deal only with new construction in the period between the Washington Conference and the London Conference. The London Conference had to concern itself with new construction to be authorized for some definite term of years. The year selected for the termination of the treaty was 1936. Now by 1936 some ships at present in service will be obsolete, other ships just commenced will be completed. Therefore, in order to analyze the problem of limitation it is necessary to know what would be the strength of the five navies on December 31, 1936, omitting ships which would then be obsolete and assuming that there was no new building in the seven years to come. This hypothesis provides a standard by which to measure the proposals for new building.

Assuming, then, a complete holiday of new building between 1930 and the end of 1936, counting out ships which would then be over age, counting in ships which would by that date have been completed, I have calculated from what I believe to be the accepted data of the Conference that the ratios of fleets, omitting battleships, would be as follows:

| | | *Actual Tonnage* | *Per-cent* |
|---|---|---|---|
| *In big cruisers:* | Great Britain | 186,226 | 100 |
| | United States | 130,000 | 70 |
| | Japan | 108,400 | 58 |
| | France | 60,000 | 32 |
| | Italy | 60,000 | 32 |
| *In small cruisers:* | Great Britain | 114,020 | 100 |
| | United States | 70,500 | 62 |
| | Japan | 81,455 | 71 |
| | France | 33,017 | 29 |
| | Italy | 29,602 | 26 |
| *In destroyers:* | Great Britain | 38,581 | 100 |
| | United States | 14,653 | 38 |
| | Japan | 86,405 | 224 |
| | France | 92,577 | 240 |
| | Italy | 60,704 | 157 |
| *In submarines:* | Great Britain | 34,009 | 100 |
| | United States | 22,950 | 67 |
| | Japan | 52,252 | 154 |
| | France | 66,314 | 195 |
| | Italy | 26,951 | 79 |

The theoretical position revealed by these tables is the standard with reference to which the original claims and counterclaims of each of the five Powers can best be stated. These claims were as follows:

1. The United States asked for parity with Great Britain in all classes, and asked that large and small cruisers be counted as one class. According to the prevailing naval opinion, which was reluctantly modified in September 1929, it was desirable to concentrate the whole American cruiser tonnage in 10,000 tonners carrying 8″ guns.[6]

2. Great Britain conceded parity in principle, but asked that

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[6] Cf. memorandum of the General Board to the Secretary of the Navy, September 11, 1929, published by Foreign Relations Committee of the Senate on May 16, 1930.

large and small cruisers be considered as separate categories with parity in each.

3. Japan asked for a ratio of 70 percent in big cruisers and for a larger ratio in other categories.

4. The British Empire, particularly Australia, and the United States insisted that Japan remain at 60 percent in big cruisers and desired that she remain at 60 percent in all other categories.

5. The French position is a much more difficult one to describe because all the data are not publicly available. Broadly speaking, one may say that in fixing their claims the French were subject to pressure from two opposite directions. The British and Americans were pushing down on them to reduce the level for the construction of new cruisers and submarines. The Italians were pushing up on them. There were three conflicting national policies involved. The British wanted the French to reduce so that Britain could maintain as inexpensively as possible the Two-Power Standard, or at least decisive superiority, as against the the Continent. The Italians claimed parity with France. And France was determined to maintain clear superiority over Italy. The essential French claim was for a fleet equal to the Italian in the Mediterranean, to the German in the Atlantic, plus a few more ships in other waters.

To translate this triangular problem into concrete terms is to enter a maze of figures. In attempting it I must ask the reader to be charitable and to remember that these are a layman's deductions from data which in many details are in dispute among experts.

As the basis of discussion I shall take for the British fleet the position on December 31, 1936, as fixed by the agreement with America. For the French and Italian fleets I shall take the theoretical position on December 31, 1936, assuming that ships now building are completed, that no new ships are laid down, and that obsolete ships are scrapped.

| | *Great Britain* | | *France* | | *Italy* | |
|---|---|---|---|---|---|---|
| | *Tonnage* | *Ratio as against France* | *Tonnage* | *Ratio as against Italy* | *Tonnage* | *Ratio as against France* |
| Big cruisers..... | 146,800 | 100:41 | 60,000 | Parity | 60,000 | Parity |
| Small cruisers... | 192,200 | 100:17 | 33,017 | 100:90 | 29,602 | 90:100 |
| Destroyers...... | 150,000 | 100:62 | 92,577 | 100:66 | 60,704 | 66:100 |
| Submarines..... | 52,700 | 100:126 | 66,314 | 100:41 | 26,951 | 41:100 |

From the point of view of the British the problem was how to stand on the level agreed to with America and still maintain a decisive superiority over France. From the point of view of the French the problem was how to maintain a decisive superiority over Italy without raising their level to a point where they could reach no agreement with Great Britain. The table discloses that with Britain at the treaty level of 1936 and with France and Italy taking a holiday, Britain would have her superiority over France in all classes that matter except submarines, and there her overwhelming superiority in small cruisers may be regarded as compensation. The tables also disclose, however, that with a holiday for France and Italy the Italians would have parity in big cruisers, and would be near parity in small cruisers.

It followed that France would have to lay down new ships to outbuild Italy in order to prevent Italy from attaining parity. But if France did this she would improve her ratios as against Great Britain, and Britain would have to raise the level of Anglo-American parity in order to maintain her relative superiority over France. The problem presented by this situation was never solved. It is theoretically insoluble. The Italian demand for parity and the French rejection of it are irreconcilable in terms of ratios. Moreover, insofar as the Italians actually set out to build up to France, and France to keep ahead of Italy, the Anglo-American level is threatened.

There were, however, mitigating circumstances. The most tangible was the fact that the French and Italians are behind in their actual building programs and that for the next two or three years the French can afford to go slowly. This permitted Britain to sign the Treaty with America under the safeguards provided by Article XXI. The other mitigating circumstance I shall discuss later. It is that a political agreement between France and Italy on diplomatic problems in the Mediterranean and a political agreement between Britain and France on the question of sanctions might somehow stabilize the armaments of the three Powers.

### IV. THE QUESTIONS BEFORE THE CONFERENCE

I have now outlined the claims and counterclaims of the five Powers. It will be seen that the negotiations (in which I include the Hoover–MacDonald conversations of last summer as well as the formal Conference itself) called for settlement on the following major points:

1. The application of the principle of parity to the American

claim for big cruisers and the British claim for a large number of small cruisers.

2. The Japanese-American ratio.
3. The Franco-Italian ratio.
4. The adjustment of the level of Anglo-American parity to the French program.
5. The reduction of the French absolute program by political agreements.

These five questions were the serious business in hand. We can now proceed to examine the success and failures of the whole negotiation.

### V. ANGLO-AMERICAN PARITY

After the passage of the American cruiser bill of 1929 the principle of parity was no longer in dispute. There remained, however, to apply it. The British were in the lead. They agreed to establish parity in battleships immediately at a level of fifteen each by scrapping five older ships while America scrapped three. They also agreed to mathematical parity in destroyers and submarines.

Cruisers presented the real difficulty in applying the principle of parity. The minimum British cruiser program was fixed not by reference to America but by reference to other Powers. This minimum program as of 1936 provided for an actual reduction of nearly 40,000 tons of older big cruisers. It provided for a very considerable amount of new construction in small cruisers and destroyers. It followed that in conceding parity to America the British conceded it at their level. This meant that to achieve parity America had to build up and could not count on Britain's coming down. The question, then, was how much America was to build in each category. Had the naval men of both countries desired the same types of ships there would have been no problem. The British conceded freely America's right to build to parity if Britain fixed the level in each category. This theoretical concession is contained in Article XVIII of the London Treaty as adopted.

But this option does not meet the real question. What the Americans wished was the right to put their whole cruiser tonnage in big cruisers. They wished to have this right even though there is strong naval opinion which questions the wisdom of acting on such a policy. The British insisted on dividing cruisers into two categories, and they were willing to concede America some superiority in big cruisers in return for superiority in small cruisers. A compromise was reached on this basis. America was authorized to build 30,000 tons more big cruisers than Great Britain, and accepted an authorization to build 50,000 tons less in small cruisers.

The formula adopted to effect this compromise was to count each of the three excess American 10,000 ton cruisers carrying 8″ guns as the equivalent of 15,166 tons of cruisers carrying 6″ guns. This was the nearest quantitative expression which could be given to what is essentially a qualitative difference between the two types of cruisers.

It should be added that America agreed not to complete her excess in big cruisers before the next conference, in 1935. Much has been made of this concession. It is not, I think, important. The three retarded cruisers can legally be laid down by 1935 even if they cannot be completed, and for trading purposes in a conference a ship laid down counts as a real ship.

The result of the compromise is to bind Great Britain to scrap 39,426 tons of big cruisers which would not be obsolete by 1936 and to authorize the following new construction:

| | *United States* | *Great Britain* |
|---|---|---|
| Big cruisers | 50,000 | |
| Small cruisers | 73,000 | 78,180 |
| Destroyers | 135,347 | 111,419 |
| Submarines | 29,750 | 18,691 |

These are the terms on which the United States can, if it desires, achieve a conventional mathematical parity with Great Britain, providing always that Article XXI is not invoked to raise the level. If it is invoked, America has the right, in each category, to make the same increase.[6] On this question of the safeguarding clause the British Prime Minister gave the following public assurance at the closing session of the London Conference:

"It is not put in as an easy way around the treaty. I hope it will never be used . . . and we have every hope that as a result of the conversations after adjournment of this Conference an understanding will be arrived at that will make any use of it absolutely unnecessary."

[6] As this article goes to press there is some dispute as to the exact meaning of this provision.

### VI. THE JAPANESE AGREEMENT

The nature of the agreement with Japan can be most clearly stated by taking as a basis of discussion the position of the American and Japanese fleets on December 31, 1936, assuming the completion of ships now building, the scrapping of obsolete ships, and the absence of any new construction after the London Conference. The situation would be then as follows:

| | *United States* | *Japan* | *Ratio* |
|---|---|---|---|
| Big cruisers | 130,000 | 108,400 | 100:83.3 |
| Small cruisers | 70,500 | 81,455 | 86.6:100 |
| Destroyers | 14,653 | 86,405 | 16.9:100 |
| Submarines | 22,950 | 52,252 | 43.9:100 |

These figures show that in all classes not limited at Washington, Japan had been building far beyond any theoretical ratio of 60 percent. In terms of real modern ships she had actually surpassed America in every category except the big cruisers and there she had 83 percent. Japan did not, however, ask the right to maintain this relative position. She was willing to come down to 70 percent in big cruisers, and she was willing to let America surpass her in small cruisers and destroyers. She asked for parity in submarines.

It became evident that the Japanese were actuated by two motives: fear and pride. That they had a defensive fear rather than an aggressive purpose is shown by their willingness to accept definite inferiority not only in battleships but in big cruisers; that they are willing to spend relatively so much money to maintain a very powerful but a definitely inferior navy can be explained only on the ground that they feel isolated and in danger. That they insisted on different ratios in different categories rather than a single ratio throughout is partly due to a desire for extra strength in the smaller defensive ships and partly to a revolt of their pride against being rated as a generally inferior Power. Their insistence on having it said in the treaty (Article XXIII) that none of its provisions "shall prejudice the attitude" of anyone at the Conference of 1935 is almost certainly due to the same desire not to be rated once and for all.

After prolonged negotiations the Japanese were given very liberal concessions. The ratio agreed to for completed big cruisers by the next conference is 72 percent. If big cruisers laid down are included the ratio is 60 percent. One can take one's choice as to which figure is the more significant. The ratio agreed to in small cruisers is 70 percent. The ratio for destroyers is 71 percent. The ratio for submarines is parity.

In judging the concessions these percentages may easily be misleading. In the most important categories, the big cruisers, the Japanese agreed to take a complete holiday, while we start to build 50,000 tons. This building of ours will reduce the Japanese ratio to 60 percent before a new competition can begin. This is a great concession to America on a vital point. In the other categories the substantial fact is that Japan agrees to stand still or build very slowly while we may, if we wish, build tremendously. She does practically no submarine building, for example, while we may build 29,750 tons to attain parity with her. In small cruisers we may build nearly four tons to every one ton the Japanese build. In destroyers we may build seven tons to every one ton which Japan builds.

The substantial truth is that, having effected an enormous expansion since the Washington Conference, Japan is now going to take what amounts to a naval holiday. The total authorization up to 1936 for new construction in all categories including aircraft carriers is 50,768 tons. Ours is nearly seven times as great: 346,811 tons.

Merely to scrutinize ratios and to ignore the realities of this agreement is a pedantic form of jingoism.

### VII. THE AGREEMENT OF THE OCEANIC POWERS

The concessions to Japan and the compromise between Britain and America made possible a contingent treaty limiting the naval armaments of the oceanic Powers. Were they the only three Powers to be considered, the limitation would be firm and the level of armaments might very readily have been reduced. For as against each other all three Powers, with the exception of Japan, have what has been called "the consciousness of security." Britain and America are not afraid of each other, and the American demand for parity is not based on fear of Great Britain. This is well understood on both sides of the Atlantic and it provides the surest foundation of peace which exists anywhere between two great Powers. Even the meticulous care with which the details of parity are discussed is not to be taken as real concern over the strength of the fleets in war. The men who make the greatest show of worry about two or three cruisers are not thinking about the realities of an Anglo-American war. They are thinking about the Naval Conference as a game in which the tonnage agreements are the score, and they are enormously interested in finding out whether their side won. Among those who understand the philosophy of it, mathematical parity is known to be a mere logical convention for expressing substantial agreement in quantitative terms.

Ratios are not and cannot be true measures of relative strength in actual combat because it is impossible to frame a hypothesis which will correctly predict all the conditions of all possible future wars. A ratio is, therefore, really a political device for expressing present agreements. In the present state of the world it provides a useful formula for stabilizing the existing relation of states. The device works among states which already regard their relations as stable. That is why it works as between Britain and America, and why, with diminishing fear of a Japanese-American war, it works in the Pacific.

That is why it does not work on the continent of Europe. The present relation of states in Europe is not stable. France is deeply conscious of the fact that she has occupied a place in the European system since the Armistice which is precarious because it does not truly represent her relative strength. The military weakness of Germany is an anomaly. The exclusion of Russia is an anomaly. The position of Hungary and Austria is essentially artificial. The restlessness of Italy cannot be discounted. There is little prospect that the system of states imposed by the Allies after the war is a stable equilibrium which will endure by consent. The French know that it is insecure and that in the last analysis it can be maintained only by superior force. French foreign policy since the war has been haunted by a sense of insecurity arising out of the historical accident that France attained the temporary hegemony of Europe. France inherited from her allies, Britain and America, a political estate which she has not the resources to maintain. She has sought for ten years to make her position secure by supplementing her own resources with pledges of assistance from other powers. Plans have varied; her objectives have never changed. Until there is a better equilibrium of states in Europe the French problem is and must be how to assemble enough force, her own and the pledged force of others, to make herself secure against the dangers of a breakdown of the present European system.

Although every attempt was made to avoid, evade, and ignore this problem, it obtruded itself directly upon the London Conference. Britain is both an oceanic and a continental power; therefore, her agreements with the purely oceanic powers, Japan and the United States, had to be contingent upon France. It was, therefore, the size of French armaments which determined the level on which parity with America could be established; it was the French willingness to build slowly for two or three years which permitted Britain to sign the limitation treaty with the safeguarding clause; it will be French naval policy after 1933 or thereabouts which will determine whether the treaty levels must be raised.

The French naval program presented to the Conference is based upon the hypothesis that France and her allies in the Succession States may have to stand alone in defense of the present European system against the concerted attack of what may be called the dissatisfied Powers. Such a defense, as the French conceive it, would be primarily a military matter. They hold that the chief duty of the French navy is to hold Germany in check in the Atlantic and protect military communications between France in Europe and France in North Africa against Italian attack. They therefore insist upon a navy equal to Italy in the Mediterranean, a navy somewhat superior to Germany in the North Atlantic, and a few ships for their Asiatic possessions.

I have already discussed the conflict between the French Two-Power Standard and the Italian claim of parity. Now I should like to point out that the French standard discounts any assistance from the British fleet. The French have said that the standard could be altered to "take fully into account any guarantee of security that might be made, and which would give full effect to the undertakings of international solidarity against an aggressor contained in Article XVI of the Covenant."[7] For the purposes of this discussion they meant that they would take into account the degree to which Britain pledged herself to use her fleet to maintain the present European system.

Thus by inescapable logic the hope of a five-Power limitation treaty, the permanence of the three-Power agreement, and the level of naval armaments throughout the world were made to depend upon a solution of the French problem of security. In so far as it was the purpose of the French delegation to make the world aware of this dependence, they succeeded brilliantly. But the problem of security was not solved at London. The issues were, however, clarified, and a basis was found for continuing negotiations.

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[7] Memorandum communicated to the British Government on December 20, 1929.

### VIII. THE PROBLEM OF SANCTIONS

Ever since the Peace Conference at Paris the question of how far and how definitely Great Britain is pledged to use force to defend the European system has been in dispute. It is the heart of the problem of sanctions. It is an enormously complicated dispute. To write its history in detail would be to write the story of the conflicting conceptions of the League and the greater part of the history of Anglo-French relations in the last decade. I shall touch only certain main issues which the British and the Americans at London were reluctantly, and without adequate preparation, and most hesitatingly, compelled to discuss.

These issues can be stated in either one of two languages: in terms of realistic French national policy or in terms of the League ideology. I do not intend this remark in any cynical sense. Since M. Briand became Foreign Minister five years ago there has been a genuine integration of French national policy with French loyalty to the League. It has been the end and aim of M. Briand's diplomacy to organize the security of France not by the old style alliances but within the framework of the League by a system of reciprocal and universal pledges of mutual assistance. It has been his purpose to obtain by open and idealistic means those pledges of assistance which have hitherto been obtainable only by separate, nationalistic and usually secret arrangements.

After everything has been said about the superiority of the idealistic method of M. Briand, it remains a fact that his policy depends at last upon persuading Great Britain to renounce her freedom of action and to pledge herself to use force in eventualities which she cannot now foresee. For ten years France has sought such a pledge from Great Britain. She has never obtained it, except in a limited form at Locarno, and the truth of the matter is that when the London Conference assembled France was farther than ever from her objective.

The British attitude towards sanctions has from the start been vacillating and ambiguous. It is, I think, true to say that the central opinion of the English-speaking peoples has always been fundamentally opposed to the French conception of an enforced peace. They do not hesitate to use force when it suits their interest, but for one reason and another — their geographical position, their isolation from Europe, their domestic traditions of government — they do not believe that the principle of sanctions is either desirable or workable. They see in it no security for themselves; on the contrary, they see in it nothing but unnecessary danger. Therefore, whenever they have yielded and have seemed to accept the principle of sanctions, they have done so against their instinct and judgment and only as a choice of evils. This was the spirit in which Mr. Wilson and Mr. Lloyd George granted M. Clemenceau the abortive treaty of guarantees. It is the spirit in which the British have always dealt with the sanctions of Article XVI.

After the American rejection of the Covenant the British position under Article XVI became utterly impossible. Were the sanctions to be invoked, the principal burden of enforcing them would fall upon the British navy. It would have to establish a blockade of the "aggressor" and would among other things have to suppress American trade. It is preposterous to suppose that any British government will pledge itself to take the risks of war with America in order to maintain, at the behest of the Council of the League, a European system which is not wholly consonant either with the interest of the British people or with their sense of international justice. Any hope that Britain would or could interpret the sanctions of Article XVI in the French sense vanished when America rejected the Covenant.[8]

The British did not, however, announce plainly in 1919 that the pledge of the sanctions would in any full sense have to be given up. Preoccupied with the appeasement of Franco-German relations, desiring to strengthen the less nationalistic elements in France, they evaded the issue and tried to muddle through. They conceded a little in theory here and there and once went so far as to tie themselves up in the Protocol. But they never would take the pledge which France demanded, and after the fall of the first Labor government and after the attempt to satisfy France at Locarno, British opinion and policy hardened against France and against further Continental commitments.

Indeed, when plans were being made for the London Conference, France had become convinced that Great Britain was in the process of withdrawing from any obligation to maintain the existing European structure. The rejection of the Protocol, the overwhelming popular repudiation of the Anglo-French naval compromise of 1928, Mr. Snowden's dramatic stand at The Hague, Mr. MacDonald's visit to the United States, and his pledge to Parliament against further commitments were regarded as stages in British withdrawal. The French, I think, were right in their estimate of British opinion. There was in February 1930 a singular unanimity in Britain on the theme of not guaranteeing French security. This withdrawal in spirit and purpose was of the utmost consequence to French policy; it meant that the paper commitments of the Covenant, the Pact of Paris, and even of Locarno could not be counted upon to mean any assurance that the British fleet would support France in time of war.

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[8] Cf. memorandum issued by Baldwin government rejecting the Protocol: *Official Journal*, Sixth Year. No. 4. This memorandum is said to have been written by Lord Balfour.

The French, therefore, came to London determined to find out what British intentions were. The much-discussed Mediterranean Pact, the technical and apparently abstruse questions raised about Article XVI, were employed by M. Briand, not because he is infatuated with pacts as such, but because they could be employed to test British purposes. The inner diplomatic issue at London was just there. Behind the argument about submarines, cruiser tonnages, Franco-British ratios and the rest lay the question of whether Britain would go on to scrap all commitments to maintain the European system or whether she could be brought back to a mood of serious participation in the organization of security.

It was the desire to bring France into a five-Power limitation agreement, it was the hope that she could be persuaded to reduce her cruisers and submarines, it was the fear that she would resent a three-Power treaty, and finally it was the desire to have her bless the agreement though she did not enter it, that finally, in the later stages of the Conference, actually about March 25, induced the British and the Americans to reopen the discussion of the problem of sanctions.

### IX. THE CONSULTATIVE PACT

It was well understood by the French, the British and the Americans that the United States would not under any conceivable circumstances take a pledge to apply sanctions. It was not so well understood in America that the American position outside the League constituted a decisive veto on any pledge that Britain might be willing to take. It is impossible for Britain to enforce a blockade in Europe unless it is certain that America will not insist upon its right as a neutral to trade with the Covenant-breaking state. For America is in a position to break any blockade which the League declares, and therefore Britain could not, if she would, make clear her own intentions without knowing first what were the intentions of America.

The Consultative Pact is a device for dealing with this difficulty. It would bind America to consult with the other powers if a war was threatened. In such a consultation America would be expected to make clear its attitude towards measures recommended by the Council. America might declare that there should be no sanctions: in that event Britain would know the risks before agreeing to apply sanctions. On the other hand, faced with a concrete situation, America might declare that the application of sanctions to preserve the peace was desirable: in that event Britain could proceed assured that America would at least be benevolently neutral.

The French said often, and properly from their point of view, that they would not reduce their navy for any consultative pact. It does not give them morally or legally any pledge of assistance by Britain or America. The significance to France of the Consultative Pact lies wholly in the degree to which it frees Britain to make definite her own pledge to apply sanctions. When at last the American delegation at London understood this, Mr. Stimson went to Mr. MacDonald on Monday March 24, 1930, and made his famous offer to consider a consultative pact. The immediate result was to stimulate the British and French to reopen their ten-year discussion.

In the month that followed some progress was made. By the mere act of negotiating the British persuaded the French that they were not withdrawing from their European commitments. They even reached agreement on certain points, which, though they do not actually touch the main points as to a British pledge of assistance, do indicate a sympathetic desire to work with the French for a solution of the problem. They agreed, it is said, that Great Britain would carry out the measures recommended by the Council. Since recommendations have to be unanimous, and since Britain is a member of the Council, this would not seem to be much of a concession. But the French liked it, partly because it recognized the principle of collective sanctions and partly because they believe it would be easier to obtain British assistance at Geneva than in separate negotiations between London and Paris.

They agreed also to work together for amendments to the Covenant which would "close the gap" by prohibiting all war, in accordance with the report (March 8, 1930) of the Committee of the League charged with harmonizing the Covenant and the Pact of Paris. The French asked the British to put the principles of this report into effect in 1931 as between themselves. The British demurred, refusing to go farther than to work for the amendments and to accept them when they had been regularly adopted.

At this point the negotiations stopped at London with the understanding that they were to be continued elsewhere. They so vastly improved the atmosphere that France signed the Treaty and thus gave her moral approval to the three-Power limitation.

It will be seen that America did not play any part, except perhaps as observer, after Mr. Stimson's offer of March 24. The American position was somewhat ambiguous. It is now known that the Stimson offer was based on a decision reached by the delegation at London and afterwards approved with some hesitation and reluctance by the President. It was a courageous offer to make and beyond a doubt it was the direct cause of such an improvement in the atmosphere of the Conference that M. Briand blessed the Treaty and departed from London in a cordial and hopeful spirit. But it is only candid to say that Mr. Stimson, had he been called upon to sign such a pact, might have had the greatest difficulty in obtaining the consent of the Senate. This is one of the reasons, perhaps, why the discussions were opened and left open. The American people had not been prepared for the offer which the delegation, faced with the realities, felt it wise to make. In fact, the President had up to that time educated American opinion *against* the proposal. It was, therefore, the part of wisdom not to risk a grandiose failure by pressing the matter to a conclusion.

It should be added, I think, that it is by no means certain that the British would adopt the principle of sanctions even if America signed a consultative pact. They would, of course, go farther than they could go without it, but it is my impression that the main current of British opinion in the United Kingdom and in the Dominions is set against the kind of definite pledge of force which France has sought for the last ten years. It seems to me highly improbable that the orthodox French doctrine of the League sanctions will prevail. It is rejected, of course, by America and actually by the British Commonwealth of Nations. The Germans do not believe in it nor do the Scandinavians. The support of the doctrine comes almost entirely from France and her allies. My guess is that France herself will modify the doctrine as the European system evolves away from the post-war settlement, and that in the course of time she will seek her security, not in a vain attempt to organize collective force, but in the acceptance of a more stable European equilibrium. I venture to suggest that M. Briand's scheme for a United States of Europe is a framework being prepared to contain a change of French policy.

### X. IN CONCLUSION

This review covers only roughly the main points of a very complex matter. By the time it is published the Treaty will have been subjected to searching scrutiny in the press and the parliaments of five nations. Since its agreements represent the concessions and the compromises of statesmen it is in the nature of things that naval men *qua* naval men in all countries will find fault with it. The naval men could not, however, have made a better treaty. They could not have made any treaty, for they desire irreconcilable things. A treaty limiting armaments must of necessity be made by overruling in some measure naval opinion in the interest of political agreement. That was done by all three delegations at London. If it is desirable to limit armaments then they were justified in making compromises and concessions. That they made no vital concessions is attested by the fact that expert criticism in all three nations is directed only against details of the agreement.

The task of limiting and reducing armaments is one of the greatest political enterprises ever undertaken by man. It has been a serious project for not more than a dozen years. The London Conference was a stage in the earlier phases of a historical movement. The problem of armaments is as intricate as the international relation of states. Nobody understands much of the problem and most men in most nations do not understand it at all. The London Conference did, I believe, advance the understanding of the problem by clarifying some of the issues and indicating tentatively some of the solutions.

The allotment of praise and blame is a doubtful business at best. I do not know enough to say more than that the greatest credit should be given to Mr. MacDonald and to Mr. Hoover for the passionate sincerity with which they willed to go on with the problem, and for their courage in accepting the risks of compromise. On the other hand, it must be said that Mr. Hoover failed to make the public understand the difficulties, that he raised false hopes of a reduction in armaments, and that both Mr. MacDonald and Mr. Hoover failed to prepare properly for the negotiations with France. To the American delegation must be given the credit for patience in negotiating and for the insight and the courage which at the eleventh hour saved the Conference from moral disaster and brought out of it the first complete treaty of naval limitation in the history of the modern world.

# THE LONDON NAVAL CONFERENCE: A FRENCH VIEW

*By André Géraud*
("*Pertinax*")

WHY, and to what extent, were the results of the Naval Conference in London incomplete and unsatisfactory? A French answer to these questions may be of interest to the American reader, and perhaps induce him to revise some of his preconceived ideas and prejudices. In coming years the question of the limitation of armaments is likely to dominate all other political issues in Europe. Therefore it would be useful to remove, so far as possible, the misunderstandings which already exist between public opinion in the United States and public opinion in France and elsewhere.

To start with, four sets of considerations will be found to explain to a certain extent why America's high aspirations for the Conference were all along deemed in France to be rash and unlikely to materialize.

1. In Anglo-Saxon communities a very common illusion obtains on the subject of disarmament. "Let the nations get rid of their weapons, scrap their guns and battleships, and, automatically, all possibilities of warfare will vanish." The reply is that one government actually did come forward three years ago with a scheme of absolute, unconditional, immediate disarmament — the Bolshevik Government — nor is there any cause for wonder in the fact that it was the Soviet which took this initiative. For if absolute disarmament occurred the most primitive people could sweep all before it: civilization would then be at a great disadvantage to protect itself, and the weapons of the stone age would prevail. Moscow would attempt to enforce its rule with stones and clubs. The era of international gangsters would have begun.

2. In the light of historical precedent, disarmament must be regarded as being beyond all possible comparison the most difficult thing to achieve.[1] To illustrate, I might quote a fact which is not very generally known. In 1908 the British and German Governments arranged to communicate their naval budgets to

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[1] I speak, of course, of voluntary disarmament, which is quite distinct from compulsory disarmament; the latter has frequently occurred in the past, though it never lasted very long.

each other. In that way they believed they would eliminate an element of fear, suspicion, and uncertainty which, in their judgment, made for a keener competition on the seas. However, the document forwarded from Berlin had not been long in the hands of the British ministers when they heard that it was at variance with what the British Ambassador in Berlin had been able to ascertain. Mr. Asquith and his colleagues did what any other body of ministers would have done. They decided to trust their own men, and the building of British ships for the ensuing year was fixed accordingly. The result was the opposite of what had been anticipated. The German Emperor complained that his own imperial word had been placed in doubt and anti-German rivalry became all the more painful.

It is true that in 1921 the Washington Conference was rather successful, but in order to succeed it had to throw overboard most of its program, to confine itself, in the main, to one category of warships (battleships), about which even then naval experts felt somewhat doubtful. Moreover, at that time Anglo-American predominance was overwhelming. France had no chance to hold her own.

3. If it proves very difficult to stabilize naval armaments on their existing basis, it is still more difficult to stabilize them simultaneously with a change in the relative strength of the fleets represented at a conference. Why? Because in such a case one given state has to agree to what practically amounts to the transfer of part of its military and diplomatic strength to another state. Up to now, such transfers have been possible only as the outcome of a lost war. The recent Conference in London had to deal with two applications for a transfer of that kind — the American claim for parity with England, and, by way of imitation, the Italian claim for parity with France.

It will be asked whether France did not seek something of the same kind. Not quite. The necessity for France to make good the progressive decay of her fleet during the war period, between 1914 and 1920, does not really come in the same category as American and Italian claims or programs. In 1921, the French navy had practically ceased to exist because, for several years, all the resources of the nation had had to be concentrated on turning out war material and ammunition for the benefit not only of France but of her allies. France was, therefore, in a position to declare: "My obsolete ships are not to be regarded as dead. They supply me with title deeds for my forthcoming construction to fall under the head of replacements and not of fresh building." There was some disposition on the British side, and a clear resolve on the Italian side, to consider "replacements" of that sort as "new construction," to plead or to argue that the true standard of the French fleet ought not to be taken in 1912, the date when a program of roughly 1,100,000 tons had been approved by the French parliament, but rather in 1921, when the French naval strength was at the lowest, to regard the figures claimed for the French fleet, about 680,000 tons in 1936, as excessive. However, by the middle of March the British Government had practically agreed to the French thesis and Mr. MacDonald had even had a communiqué prepared which emphasized the sacrifice (too little noticed at the time) made by France in the memorandum of February 11, when she cut down by 89,000 tons the naval program of about 800,000 tons which she was to complete by 1943. In his proposed communiqué Mr. MacDonald practically admitted that France ought not to be penalized for the magnitude of her contribution, on land, to the common cause throughout the war.

As a matter of fact, neither the American claim for parity with England nor the French claim for the rebuilding of the French fleet to a level consonant with French requirements, did directly break or even place in jeopardy the Naval Conference. The Conference broke down exclusively upon the Italian claim for parity with France, put forward (as Mr. Alexander, the First Lord of the Admiralty, told General Dawes) in imitation of the American claim for parity with England.

4. The London Conference had to labor not only under that very serious handicap — the transfer of military and diplomatic power from one state to another — but also under the very indifferent leadership of Mr. Ramsay MacDonald, the Prime Minister of England. Mr. MacDonald may be a remarkable man in his own way, but he does not possess the driving force, the resolute character, which distinguished Secretary of State Hughes in 1921–22. Many instances could be given of his hesitation and vacillation. I shall only indicate that, on March 16, in Chequers, Mr. MacDonald reached a tentative agreement with M. Tardieu. Of his own initiative, he told the French Minister that he proposed to bring diplomatic pressure to bear upon the Italian Government, and he even boasted that in Rome the American

Ambassador was sure to give help.[3] On that day, therefore, Mr. MacDonald expressed the opinion, and on March 11 and 19 he allowed officials placed under him to express the opinion, that the margin of superiority enjoyed by the French fleet over the Italian fleet ought to be safeguarded. However, after he had to meet the criticism of Mr. Snowden on March 17, and later on, after he had to face the protests of Mr. Grandi, he gave way, quickly retraced his steps, issued press communiqués which perhaps cannot be called models of candor, and, having lost himself in contradictory statements and feeling quite helpless, he allowed the Conference to drift to its fate. In the same manner, he caused Sir Arthur Willert to deny that he had ever taken rather forceful steps in Tokyo to recommend the adoption of the Anglo-American proposals submitted to the Japanese delegation on March 13, while press telegrams received from Tokyo shortly afterwards did not leave any doubt as to the part played there by the British Ambassador. But the most illustrative example of Mr. MacDonald's lack of nerve can probably be found in the developments which took place on April 10. It has been reported from a trustworthy source that, on the morning of that day, Mr. Stimson called upon the British Prime Minister to draw his attention to the fact that if what is now known under the name of the "safeguarding" or "escape" clause were inserted in the Three-Power Treaty it would assuredly cause trouble in the American Senate. Mr. MacDonald agreed at once to do without the safeguarding clause, but not many hours afterwards the first Lord of the Admiralty, Mr. Alexander, a level-headed grocer who does not mistake eight inches for six inches, came to the chief of the British Government and roundly told him that he never would support a three-Power treaty stripped of such a clause. Mr. MacDonald did not resist. On the same day, then, within a few hours, he surrendered twice in opposite directions — the first time to the head of the American delegation and the second time to his own colleague. At the end of the Conference, one of the French officials was overheard to exclaim to an Italian diplomat: "In ten years' time it will be very pleasant for us to compare notes about what Mr. MacDonald was telling each of us at practically the same hour."

In the light of these explanations I hardly think many people will disagree with the considered opinion of the French delegation in London: due account being taken of all factors and circumstances, the London Naval Conference yielded all the results which it could yield.

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[3] On the morning of March 17, before leaving for Paris, M. Tardieu called upon Mr. Stimson and was surprised to hear that the matter had never been mentioned to the latter by Mr. MacDonald.

What is the balance sheet of the Conference? What is to be put down on the credit side, what on the debit?

The Three-Power Agreement is the main asset. It is coming in for a good deal of criticism which it seems not to deserve. For instance, it is alleged that the level of armaments has been fixed much too high, since America will have to build about 170,000 tons before 1936 in order to get parity with England, while England will have to lay down new ships for replacement purposes up to 90,000 tons. The critics ought to realize that, for England, the level indicated in the Three-Power Agreement is dangerously low. Such is the magnitude of British responsibilities — in Egypt, in India, in China, where most of the big cruisers flying the white ensign are now stationed — that it can be questioned whether the British Admiralty has been left with a sufficient number of units at its command. By the way, France does not cast jealous eyes on strong British and American navies. As a conservative power, she recognizes that they make for the maintenance of general peace. Her objections become vocal only when the two predominant naval powers endeavor to strengthen or increase their relative naval strengths at the expense of her own fleet.

Another of the lines of criticism bears on parity. Parity with England, it is said, has not been really secured by America. But parity is a very artificial notion. The same ship does not possess the same weight, the same military coefficient, if considered in the Italian harbor of Spezzia or in the British harbor of Malta. Its military coefficient is determined not only by its guns, its speed, etc., but by the naval bases which it can use and by the industrial and financial organization at its back. Parity ought not to be regarded as anything more than a rule of thumb or a slogan. It will always be possible to argue that no real parity has been achieved between two given Powers. And on this subject of parity it even seems that an American gain of no small value is being overlooked. Contrary to a view consistently held by the British Admiralty during the greater part of the Conference, it was agreed at London that no special limitation should be placed upon the tonnage of 6-inch gun cruisers. Thus, it will be possible for the American fleet to build all the big cruisers she may need in addition to the eighteen 8-inch 10,000-ton cruisers allotted to it in the Three-Power Treaty. In this the French delegation supported the American delegation.[3]

But let us pass to the debit side of the Conference. It is very heavy indeed. There is real substance in the argument that the "safeguarding" or "escape" clause found in the Three-Power Treaty seriously threatens the limitation of armaments which the Treaty purports to achieve. Indeed, through the operation of that clause the amount of naval tonnage to be possessed by these three powers may eventually be determined from outside — by France, by Italy, even by Jugoslavia. When the liquidation of the Conference began on April 10, Mr. MacDonald declared to M. Briand that he would put up with the existing French program and would not find in it a pretext for building beyond the figures indicated in the Three-Power Treaty. Left to herself, France will not enlarge her program, and she even can be relied upon to lag somewhat behind. But should Italy persist in trespassing upon the French margin of superiority (she began about three years ago), France will have to quicken the pace. Mr. MacDonald may after all have to do in Rome fairly soon what he refrained from doing in the middle of March. In Italy's naval construction lurks the danger to the Three-Power Treaty.

It will be said: "Why, after all, did France refuse to Italy what England willingly gave to America? The London Conference broke down over the Franco-Italian problem. Is not France responsible for its failure?" I maintain that not only is France not responsible for the shortcomings of the London parley, but that she has a grievance on account of it. For some months Franco-Italian relations were improving. On the Italian side, the usual press attacks against France had been discontinued. One of the major problems which in the past has estranged Paris from Rome, the problem of the Italian settlers in Tunis, was being dealt with, and the rough outline of a solution was in view. Now, whatever progress had been made, whatever measure of appeasement had been secured, has been lost. Franco-Italian relations are worse than ever. The American and British Governments, who never devoted serious attention to the subject, are responsible. For the second time in ten years the responsibility of a Franco-Italian quarrel can be traced to them. Can it be forgotten that, in 1920, the support incautiously lent by France to the ideas entertained about Fiume by President Wilson opened the moral breach between the two Latin countries?

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[3] All through the Conference, the tendency of the British delegation was to insist on a definition of all types of warships, as minute and detailed as possible. The danger of such a method, obviously, would be to make the fleets of the signatory powers develop on artificial lines and eventually to place them at the mercy of an outside power which had retained the freedom to experiment and create new types.

The Franco-Italian rivalry now in progress on the high seas can be traced to a medley of faults, old and recent. The principal ones were in connection with the Washington Conference in 1921. Mr. Schanzer, the chief Italian delegate, had been instructed to get a share of naval power measured by only two-thirds of the French figures. Why, as far as battleships were concerned, was he able to bring back full parity with the French fleet? Here is the real beginning of the present trouble. But the fault committed nine years ago has meanwhile been aggravated. One of the American delegates is reported to have declared frankly that neither he, nor his colleagues, nor the British negotiators had rightly understood the seriousness of the Franco-Italian problem. That problem, he could now see, was of such a nature that it ought to have been taken in hand two or three years ago, simultaneously with the British-American problem, instead of being left in suspense and then clumsily tackled when there were only a few weeks to give to it. But the case is even worse than such a frank admission of responsibility would indicate. It is well known that during the whole of last autumn the British Admiralty and the British Foreign Office openly encouraged Italy to stand for parity with France, acting under the erroneous belief (which was only dissipated by Mr. Massigli's mission to London at the beginning of December) that France would comply with Italian requests.

For the present, no way can be discovered out of the impasse. On the one hand, Mr. Mussolini will not be prevailed upon to accept less than what his "contemptible" predecessors got ten years ago. On the other hand, France cannot resign herself to parity because she opens on three seas and has to protect overseas possessions which in extent are comparable only to the British Empire. For her, parity would mean flagrant inferiority in the Mediterranean. The Mediterranean! Do not overlook the fact that there lies the centre of the French military system. The whole scheme for the mobilization of the French army in time of need has been established on the assumption that within a fortnight all the French troops quartered in North Africa, as well as their reserves, could swiftly land in the homeland. Should the least doubt arise as to the carrying out of that essential part of the French scheme of mobilization within the appointed time limits, it can be said without exaggeration that the whole French military machinery would be thrown out of gear. But, apart from this military consideration, it can be apprehended that the granting of full parity to Italy would simply result in making her push forward more energetically than ever with the accomplishment of her territorial ambitions. To her government and to her people, equal fleets, even if confined to paper, would not fail to mean, in the long run, equal territories. That is a disturbance of the *status quo.* To foresee these developments, it is enough to remember the ferocious press campaigns which have been conducted in Italy against France. During the Conference a question was put to Mr. Grandi on that subject. His reply was: "We don't mean any harm. Our people are very soft and easy-going. We want to make use of the anti-French feeling in order to stiffen their back. Now the desired result has been obtained and we have no more use for that tonic." Such a declaration cannot be found very reassuring.

There is no analogy between the Italian and the American claims for parity. England bowed to the superior financial forces of America when confronted by the American claim. The resources of America, she knew, were such as to enable her not only to reach parity but, if necessary, to go further. No such financial and economic assets can be attributed to Italy vis-à-vis France. In a régime of open competition Italy could not get parity. She can get it only through the means of an international contract. As long as Italy persists in her claim France is forced to keep out of a naval contract with her, because she must remain free to bring her naval armament up to a level which Italy cannot reach. Such seems to be the view of the French Government, which on April 9 indicated in the following terms what ought to be the strength of the French fleet: the Italian fleet plus 240,000 tons, that is 140,000 tons as the equivalent of the German fleets and 100,000 for service in colonial waters.

Alongside of Franco-Italian relations, the Geneva Covenant has been the chief victim of the London Conference. It comes out of the Conference badly damaged. The security issue was raised by M. Briand in the memorandum addressed to the British Government on December 20, and all through the London discussions he pressed towards one single goal — to strengthen the system of international peace for which he is responsible. Whenever it seemed that he was not going to get anything on that account, he talked about leaving for Paris. "There is nothing for me to do here since technical questions do not fall within my competence." Why was M. Briand so keen on that subject? His attitude ought not to cause any surprise. At first he was apprehensive lest he should be driven as hard and fast by Mr. MacDonald and Mr. Stimson as he had been driven hard and fast nine years ago in Washington by Mr. Hughes and Mr. Balfour; therefore, it was convenient for him to stand forth as the champion of Geneva and call upon all the devotees of the League of Nations to support him and make his resistance more effective. Moreover, the French figures of naval tonnage, which were produced on February 11, could not but bring forth a good deal of criticism. It was very natural that the French Foreign Minister should develop the following dilemma: either, when France has to face a great danger, she will be able to rely upon the assistance of other Powers acting in conformity with the spirit if not the letter of the Geneva Covenant, and in that case (said M. Briand) I admit that the French claims can be cut down in the same proportion as the figures submitted by other Powers, which like France will benefit by the improved conditions of general security; or nobody can give me the assurance that France will not be left to face an aggressor alone, and in that case my country is entitled to fix the level of her own armaments and she cannot fairly be urged to concede more than secondary adaptations of her national fleet to the common standard.

In the initial weeks of the Conference, M. Briand meant to stick fast to the dilemma and he was at pains to dispel all idea that he might be content with the sort of dubious compromises which, too often in the past, have been resorted to on occasions of that sort. "I have no use," he was wont to repeat, "for a white negro. I don't want to get an equivocal solution, the only result of which would be simply to change the form of the problems with which we have to deal without changing their seriousness." However, little by little M. Briand's standpoint was changed. He perhaps realized that by raising such a debate on the conditions of French security he was laying bare the slight foundations upon which the old fabric of Geneva and Locarno had been built, and that he was thus supplying his political foes in France with a good deal of justification for their attacks. Whatever his motives may have been, when the decisive hour struck, at the end of

March, he no longer insisted on a radical solution of the problem of security; once again he could be seen to indulge in a piece of window-dressing. Did he know at the bottom of his heart that nothing would come out of his effort, and that by compelling his colleagues of both the British and American delegations to reject his very modest demands he was making it more difficult than ever for them to continue their objections against the French naval program? The proposals finally put forward by him as the *quid pro quo* for an eventual diminution of the French figures of tonnage (subject to concomitant and proportional diminutions by the other Powers) were as follows:

He asked the British Government to interpret paragraph 2 of Article XVI of the League Covenant in the same way as the French Government. In addition, he asked that the British Government promise to stand by the report which, at the end of February and the beginning of March, had been drafted in Geneva by the committee entrusted with the task of harmonizing the Covenant with the Kellogg treaty.

These requests were futile indeed. As regards Article XVI, which provides for military and economic sanctions to be enforced against an aggressor, it must be kept in mind that it bristles with all sorts of difficulties, and that for a long while nobody has seriously maintained that its enforcement would prove practicable. To be aware of that fact, it is sufficient to turn to the report submitted in 1921 by a special committee headed by Signor Tittoni, former Foreign Minister of Italy. It was made clear by that committee that, under a strict interpretation of Article XVI, the aggressor would be entitled to register his vote when the Council was called upon to decide whether he had or had not infringed upon his commitments under the Covenant. In order to put Article XVI in working order, the whole text from top to bottom ought really to be re-formed and corrected. M. Briand did not do more than put his finger upon one of the obstacles which barred the way to the enforcement of the sanctions, and ask that it should be removed. He simply suggested that, whenever the Council should have recommended to the member states of the League to detail military and naval contingents to fight against an aggressor, the British Government would consider that recommendation of the Council as compulsory. Really, Mr. MacDonald could well have seen his way to grant that request without materially adding to his own country's commitments, for it would have been open to the British Government on all occasions to exclude the possibility of sanctions by simply instructing its representative to cast his vote against them at the beginning of the proceedings.

M. Briand's second request was for support for the Geneva committee's report of last March for conciliating the Geneva Covenant with the Kellogg Pact. That report is utterly inadequate. The question at issue was, in general terms: What amendments have to be introduced into the Covenant to fill the gaps which were left open there ten years ago, in order that the various Powers may take military measures whenever the Council has not been able to reach unanimity about the mode of peacefully settling an international conflict, or whenever the Powers which are at odds refuse to comply with the unanimous recommendations of the Council?

As regards the case of two Powers refusing to comply with the unanimous recommendation of the Council, the report proves more or less satisfactory. It declares that henceforward the interested Powers will have no choice left to them but to submit to the decision of the Council, and, in addition, the obligation is placed upon the Council to see to it that its own decision or the judgment of the Hague Court or the award of some body of arbitrators becomes an accomplished fact. But in dealing with the hypothesis of the Council's not being able to reach unanimity, the Geneva committee was very timid indeed. It did not dare to follow the proposals submitted by the French delegate to the effect that the whole quarrel necessarily should be referred to the Hague Court or to some outside body of arbitrators (for all the Powers had previously been asked to adhere to the act of general arbitration drafted two years ago by the so-called Committee of Security) and that the Council should be made responsible for the enforcement of the judicial decision. No. At the most the committee made it facultative for the Council to appeal to the Court; in other words, the Council remains free to avoid that radical solution and to plunge ahead with any sort of fruitless procedure which it may deem opportune to devise for the sake of not falling asunder.

Moreover, in order to gauge at its true value what M. Briand endeavored to get from the British Government, it must not be lost sight of that, even if the general report were to receive the approval of the London Foreign Office, its chances of being incorporated into the Covenant are very slender indeed, because no modification of the Covenant can prevail except by a unanimous vote in the Council and in the Assembly.

Nevertheless, Mr. MacDonald did not see his way to adhere to the French plan. He spent a whole fortnight in brooding over it and little by little public opinion was roused against him in Parliament and outside. Not that the British Conservatives wished to be unfriendly to France on this occasion, but they could not forget that they had been severely trounced at the general election one year before by Mr. MacDonald and his colleagues, who had thought it good tactics to denounce them as unduly submissive to French policy; and for reasons of home politics they were strongly tempted to repay the Labor Party in its own coin.

For a time, Mr. MacDonald inclined to adopt a formula for the "clarification" of the second paragraph of Article XVI, which has been described on the French side as meaningless and ridiculous. About the Geneva report, he finally let it be known he would promise some sort of general approval while reserving his attitude concerning details and would try to work in coöperation with France in Geneva. But finally, in spite of the advice tendered him by his Foreign Secretary, Mr. Henderson, by most of the higher officials of the Foreign Office, and by the British Ambassador in Paris, he made up his mind to refuse everything. The reason he gave was that so long as the American Government stuck to the doctrine of the freedom of the seas, so long as it refused to declare in advance that, eventually, it would not insist on its right to engage freely in trade on the high seas with an aggressor, no British Government could in advance declare itself ready to participate in the enforcement of the Geneva sanctions under Article XVI, since it cannot contemplate the remotest possibility of being involved in a conflict with the great commonwealth on the other side of the Atlantic. Such a theme had been emphasized in the press. Upon it, in the end, British policy settled down.

But from the outset Mr. MacDonald ought to have known that America was unwilling to budge from her traditional position concerning the freedom of the seas. Why did he try for a whole fortnight to come to an agreement with M. Briand? In that respect what happened in London cannot be easily understood unless due account has been taken of the tactics of the American delegation. On the one side, that delegation kept on telling the

American people at large that the "consultative pact" which it was examining with a view to facilitating the Franco-British political pourparlers was not going to increase the burden of American commitments, as it did not do more than embody a promise of consultation with the other signatories, which was already implicit in the Kellogg Pact. On the other side, it declared to the British and French delegation that the aforesaid "consultative pact" if agreed to by the Washington Government was not to be lightly dismissed as unimportant but rather ought to be regarded as a noteworthy milestone in the path of American foreign policy, as the beginning of a change likely to materialize fully after five or six years on the vital subject of the freedom of the seas. All these explanations intermingled in great disorder. On March 11 Mr. Stimson had set his face against the "consultative pact." On March 25 he moved forward and allowed a ray of hope to lighten the London fog. All along, Mr. Dwight W. Morrow had spoken to the British and French with a greater degree of assurance and continuity, and in that way he can be singled out as the real initiator of what passed between the British Prime Minister and the French Foreign Minister. When, on April 10, the American delegation happened to know more about the electoral triumph achieved by Mrs. McCormick in Illinois, it hastily retraced whatever steps it had taken in the days before and the fate of the security pourparlers was sealed. Once the "consultative pact" had been given up for good, Mr. MacDonald quickly withdrew from the tentative agreement he had reached with M. Briand on April 5.

A very serious blow had been struck at the Covenant. It had been well known that no conceivable British Government would jump at the throat of an aggressor, on the League's request, unless it had ascertained beforehand that America was not determined to uphold her neutral rights upon the seas. But what was merely understood had now (following upon the declarations repeatedly made by Mr. MacDonald) become a fixed principle of British policy. In these new circumstances, how can the League even pretend to be equal to its task? Henceforward, until America changes her mind in relation to the freedom of the seas, the League is to be compared to a poker player who can never show his cards and risks losing at every turn. Already in 1928, when Hungary freely imported machine-guns into her territory notwithstanding all the stipulations of the peace treaties, the League was unable to face the issue and had to retreat shamefully. It will not easily survive many repetitions of that moral surrender. What happened in London, the other day, is of very bad omen for the future.

The future? Sooner or later, under the pressure of the German Government, the conference for an all-round limitation of armaments will have to meet in Geneva. Germany considers the restrictions placed by the Treaty of Versailles upon its army as conditional upon the fulfilment of the so-called pledge of a complementary military, naval and aërial reduction by the other Powers. All the problems referred to in the present article will then be revived in more serious form, including the central problem of international security. Will the United States Government find it expedient to revise its doctrine of the freedom of the seas in the light of new experience and in view of the world-wide interests it has acquired since the end of the war? Nobody can profess to foresee what line of conduct the United States will follow, still less to tender unasked-for advice. But a plea for complete candor, frankness and sincerity may perhaps be addressed to the American nation. Should the definition of a clear-cut, all-embracing foreign policy be found to be beyond the reach of the Washington Government, let us hope that no American delegation, under the lure of an immediate advantage, will be willing to play upon the readiness for illusion which distinguishes most European statesmen whenever they have to deal with men and affairs on the other side of the ocean. The League may be impaired, it is true, under the impact of cold American realism. But the League had better succumb when general peace still obtains and when at least some substitute could be devised to provide against dangers to come, than be found helpless in a great international emergency. Anyhow, the European problem must at last be formulated in stable terms.

# QUO VADIS, HAITI?

### *By Henry Prather Fletcher*

THE Haitian problem has not been settled by the President's Commission. What we did was to suggest steps to be taken to restore to the Haitian people as rapidly as may be, and in any event by 1936 (the date of the expiration of our treaty with Haiti), complete control over their own affairs.

The political compromise by which the presidential succession was arranged and the reëstablishment of the legislative branch of the government provided for were incidental to the main task entrusted to the Commission by President Hoover. We were given no written instructions except a copy of the President's statement of February 4, 1930, in which he announced his intention of appointing a commission. But Mr. W. Cameron Forbes, who was subsequently named chairman, and I were summoned to Washington before the personnel of the Commission was announced, and we discussed very fully with the President and the Acting Secretary of State the work which the President desired us to do. We were to study the situation in Haiti and to formulate our national policy with respect to that republic. We were given an absolutely free hand.

As the readers of FOREIGN AFFAIRS will recall, the grewsome events of 1915 in Haiti marked the close of a decade of progressive political disintegration, culminating in our intervention. Black Democracy had failed. The second republic in the western world to declare and maintain its independence was politically and financially bankrupt. There had been seven Presidents in seven years. Simon served two years and seven months and was deposed; Leconte served one year and was blown up; Auguste, after serving nine months, died in office; Oreste, the first civilian President, resigned after eight months and went into exile; Zamor served nine months and was then deposed by Theodore, who was in turn overthrown three months later by Sam; after serving four months Sam was literally dismembered by the mob, as the result of a jail massacre of over 160 of his political opponents whom he had confined on suspicion of connection with the Bobo revolution then under way. In this disturbed decade foreign warships had on several occasions landed marines and bluejackets to protect their nationals or to enforce claims. The advent of the

World War saved the United States from serious international difficulties on account of Haiti.

After the mob murder of President Sam and the ensuing collapse of organized government, Admiral Caperton landed marines and bluejackets on July 28, 1915. The United States had intervened. Immediate steps were taken to restore order. The Haitian National Assembly — that is, both branches of the legislature — convened under the protection of American forces and elected Sudre Dartiguenave as President of the Republic. The United States had made it clear to the National Assembly that it expected to be entrusted with the practical control of the customs and such financial supervision as might be necessary for an efficient administration, but that it had no designs upon the political or territorial integrity of Haiti.

As soon as President Dartiguenave was installed in office negotiations were begun which resulted in the present treaty governing the relations between the two countries. It was signed on September 16, 1915. The preamble states that the treaty has for its objects: 1. The strengthening of the amity existing between the two countries. 2. The remedying of the condition of the revenues and finances of Haiti. 3. The maintenance of order. 4. The carrying out of plans for Haiti's economic development and prosperity.

Accordingly, the United States engages itself by its good offices to aid the Haitian Government in the proper and efficient development of its agricultural, mineral and commercial resources, and in the establishment of the finances on a firm and solid basis. Provision is made for the appointment of a General Receiver of Customs and Financial Adviser (these two offices have since been consolidated), to be nominated by the President of the United States. The Receiver General collects and applies all custom duties on imports and exports. The duty of the Financial Adviser is to devise an adequate system of public accounting, aid in increasing the revenues and adjust them to expenses, inquire into the validity of the public debt, enlighten both governments with reference to all eventual debts, recommend improved methods of collection and application of the revenues, and make such other recommendations to the Minister of Finance of Haiti as may be deemed necessary to the welfare and prosperity of the country.

The treaty provides that the public debt is to be collated and classified as to character, maturity condition, interest and sinking fund requisite to its final discharge. The revenues of Haiti are to be applied to the payment of the salaries and allowances of the Receiver General–Financial Adviser's office, the interest and sinking fund of the public debt, and the maintenance of the Constabulary; with the remainder to go to the Haitian Government for current expenses. The Republic of Haiti agrees not to increase its public debt except by previous agreement with the President of the United States and not to contract any debt or assume any financial obligations unless the ordinary revenues available for that purpose, after defraying the expenses of the government, shall be adequate to pay the interest and provide a sinking fund for its final discharge. Customs duties will not, without previous agreement with the President of the United States, be modified in a manner to reduce revenues.

By Article X the Haitian Government undertakes to preserve domestic peace, the security of individual rights and full observance of the treaty by creating an efficient constabulary, urban and rural, composed of native Haitians. This force is to be organized and officered by Americans nominated by the President of the United States, but the American officers are to be replaced by Haitians as soon as the latter can qualify by examination. By Article XI Haiti agrees not to surrender any of its territory, or jurisdiction over such territory, by sale, lease or otherwise to any foreign government or power, and not to enter into any treaty or contract with any foreign power or powers that will impair or tend to impair the independence of Haiti. By Article XIV the United States promises, in case of necessity, efficient aid in the preservation of Haitian independence and the maintenance of a government adequate to the protection of life, property and individual liberty. The Haitian Government agrees, in Article XIII, to adopt and execute necessary measures for the sanitation and public improvement of the republic under the supervision of American engineers. The treaty makes no provision for our assistance in matters of justice and education.

The treaty went into effect on May 3, 1916, the date of exchange of ratifications. It was to endure ten years but could be extended for a further period of ten years. Very early in the life of the treaty this extension was agreed upon in order to make possible the issue of a foreign loan to effect the consolidation of Haiti's public debt on very advantageous terms.

In the interval of almost a year which elapsed from the beginning of our intervention until the ratification of the treaty, order was preserved and the principal functions of government exercised by United States naval and marine officers by virtue of the declaration of martial law. After the situation had been regularized by treaty, steps were taken to organize the American Occupation in what is now known as the Treaty Services. Since the date of our intervention, but more particularly since the organization of the Treaty Services, a dual government has, in fact, existed in Haiti. While the country has been governed by its President assisted by the usual ministers, and has remained a member of the League of Nations and maintained its diplomatic representatives abroad, much of the real power has been wielded by the treaty officials under General Russell. For some time after the treaty went into effect the legislative power was exercised by the regularly elected Senate and Chamber of Deputies. But when difficulties arose between the legislative bodies on the one hand and President Dartiguenave and the American officials on the other, the President decided to dissolve the legislature and his decree was enforced by the marines — the only police force then existing in the republic.

In 1918, with the full approval (if not indeed the actual impulsion) of the American officials in Haiti, a new constitution was adopted by popular vote of the people. Practically all the subsequent political dissatisfaction and agitation are due to the fact that the new constitution was adopted by popular vote, and to the further fact that by its provisions — or rather the President's interpretation of its provisions — all political and legislative power has since been assumed and exercised by the President and the Council of State. This was made possible by the transitory provisions of the constitution, which provide that the first elections for the legislative body after the adoption of the constitution should take place on January 10 of an even numbered year, at the call of the President issued three months in advance. The Council of State was empowered to exercise the legislative power until the legislative body is set up, when the Council of State will cease to exist.

But before discussing this phase of the situation, let us examine the American half of the dual government. From 1916 until 1922 continual difficulties arose in the relations between the American officials and the Haitian Government, as well as amongst the Americans themselves. Coördination and unity of supervision were therefore decided upon, and Brigadier-General John H. Russell, who had previously served as commander of the marine brigade, was appointed High Commissioner with the rank of Ambassador. The post of American Minister was left vacant, so that the High Commissioner was the highest ranking American official in the country. He occupies the American Legation, where he meets at least once a week with the treaty officials — his cabinet. A secretary of legation is assigned to Haiti, who for form's sake signs the official notes of our government and is called the Chargé d'Affaires. But General Russell not only supervises and coördinates the activities of the Treaty Services but also conducts the business of our government with the President and government of Haiti and is regarded by both governments as the responsible American diplomatic representative. As the highest ranking marine official he also directs and controls the marine brigade, the army of occupation, although it is nominally commanded by a colonel, a member of General Russell's staff.

It is really only since 1922 that the American Occupation has been able to make effective constructive progress. The first six years of our occupation were largely devoted to the suppression of the "Cacos" and the restoration of public order. By 1922 the claims against Haiti had been adjudicated and a foreign loan made possible.

The substantial material accomplishments of the Occupation are worthy of the highest praise and have been of undoubted benefit to Haiti. I can refer to them only briefly. Under American auspices peace and order have been restored. Roads have been built where only practically impassable trails existed previously, and efficient telegraph and telephone services have been installed. The finances have been straightened out, and thievery and peculation stopped. The customs are now collected and administered honestly. Important public works and public buildings have been constructed, and public health and sanitary measures intensively and extensively applied. It is a record of which Americans may well be proud. American officials have been guided only by a sincere desire to serve the interests of Haiti and the Haitian people. The loose insinuations against them were unsupported and entirely unconvincing. I did not find a single instance where Haitian interests have been sacrificed to the interests of the United States or of citizens of the United States. Even as regards the change in the Haitian constitution (undoubtedly recommended by American officials) so that a foreigner could own land in the republic, we found no evidence that Americans or any other foreigners had taken advantage of this to any appreciable extent. That this change was made in the hope of promoting the agricultural development of Haiti, upon which its prosperity depends to such a great extent, cannot be doubted. Nor can it be doubted that it failed of its purpose and was politically a mistake.

In accordance with the provisions of the treaty, an efficient constabulary force has been organized. It is now known as the *Garde d'Haiti*. The men and non-commissioned officers are Haitians. All the officers above the grade of first lieutenant, with the exception of five captains, are Americans detailed from the United States Navy or Marine Corps. The *Garde* not only does the ordinary police work of the country but also helps the municipal and communal officers in local administration. We were much impressed by the good discipline and the fine soldierly appearance of the men.

The Marine Brigade, the backbone of our occupation, a force of about eight hundred officers and men, is almost invisible. It plays in Haiti much the same rôle that the National Guard and Army do in the United States. It is there for emergencies. It is not unpopular. We heard no complaints regarding the presence of our marines except from the political point of view, and most of these complaints were made for public effect. In private we were assured that it would be necessary to keep the marines in Haiti for some time, at least for the treaty period. We could always identify the presidential candidates amongst those who testified or talked with us, for whatever they might say in public on the subject, in private they thought it would be unwise to withdraw the marines for some time. The marines are paid entirely by the United States and their pay is mostly spent in Haiti. In a small country and especially in a time of trade depression like the present this is an important item.

The public health service has been the bright spot of our occupation. It is the creation of the United States Navy Medical Corps. Eleven years ago a law creating the National Public Health Service was passed under American influence and a modern sanitary code adopted. Of the 2,300 members of the service all are Haitians except 20 United States Navy Medical Corps officers, 14 Hospital Corps men, 4 American Red Cross nurses, 63 French nuns, 2 French priests, 1 French librarian, and 1 Jamaican plumber. Less than 2 percent of the personnel is American. Of the ten public health service districts three are functioning with entirely Haitian staffs. The cost of the public health service has averaged less than half a million dollars a year. Under its direction, hospitals have been built or remodeled, the National Medical School reorganized, and health centres, nurses training schools and rural clinics established. Furthermore, street cleaning and garbage collection have been instituted in all cities, towns and even villages, and measures looking to mosquito control have been adopted. There are 150 rural clinics scattered over the entire republic and they are doing excellent work. They are held weekly, bi-weekly or monthly, depending upon the accessibility of their location, and they provide free medical treatment for all. Last year the rural clinics traveled, in automobile, airplane, motor boat and on horseback, almost 134,000 miles; some American doctors, riding horseback 25 miles, attended to over five hundred cases in one day. Yaws, malignant malaria and intestinal parasites have for more than two centuries ravaged Haiti. The ignorant peasant was helpless before them. The Sanitary Service is doing valiant rescue work, and provision should certainly be made for its continuance.

On April 17, 1923, a protocol to the treaty of 1915 was signed providing for the appointment of an American Agricultural Engineer and the organization of a Technical Bureau of the Department of Agriculture, which became known as the *Service Technique d'Agriculture*. This was done with a view to developing agriculture and implanting a system of industrial and vocational training. For Haiti really has no artisans and no middle class. Her people have rarely learned to be mechanics, carpenters or plumbers. Even the chauffeurs are usually Jamaicans. The *Service Technique*, as it is usually spoken of, was confronted with a most important but a most difficult task. Agriculture is all-important to Haiti, but it was and still is in a primitive state of development. So an ambitious program of agricultural and industrial education was inaugurated. A teachers training school and a number of industrial schools for both boys and girls were established. In six years the number of students grew from 50 to almost 11,500. New trade schools are being built which will accommodate 6,000 additional students. There are now 65 rural farm schools, with about 7,500 students.

The educational problem is one of the most important and from a political point of view the most difficult in Haiti. The adult rural population is illiterate, and is ignorant of sanitation and its relation to health. Nor do they know anything about the nature of the infectious or contagious diseases of themselves or their animals, or about insect pests and plant diseases. Such education as existed prior to 1915 was along so-called classical lines, producing an economically useless white collar class. It was in the hands of the state and of the church. The teachers in the state schools are poorly paid and inefficient, and the school buildings are hopelessly inadequate and miserably equipped. The church schools are better, but not ideal by any means.

The *Service Technique* has established, in addition to its schools, a model tropical dairy, a cattle breeding station, a Department of Markets, a Horticultural and a Veterinary Department, experimental farms and forestry experiment stations. It is one of the best and most constructive things we have done in Haiti and yet it is the most unpopular and very likely will be the first to be crippled and destroyed. For obvious reasons, the ruling class, the élite and the church look with bourbonesque disfavor on the whole scheme and everything and everybody connected with it.

Now let us return to the Haitian political situation brought about by eight years of joint Presidential–Council of State–treaty-official government. When President Borno last October proclaimed his unwillingness to revive the legislature, the opposition, faced with the prospect of at least two years more of wandering in the political wilderness while the Borno party enjoyed the fruits of dictatorship, decided to act. The *Service Technique* was selected as the target. A student strike was organized. It spread rapidly even to the Treaty Services. The strikers were joined by political agitators and, encouraged by the opposition press, perpetrated serious disorders culminating in the riot at Aux Cayes. Here a patrol of twenty United States Marines, attempting to hold in check an unruly mob of over a thousand intent on rushing them and entering the city, was finally compelled to fire; five Haitians were killed and twenty wounded. A full-fledged political crisis put Haiti on the front page. President Hoover asked for and received authority to send a Commission to investigate.

The Commission landed at Port au Prince on February 28.

The town was in a flutter of excitement. The shore, the open spaces about the landing stage and the streets leading to the centre of the town were lined with men, women and children. The Haitian *Garde* maintained order and kept the streets cleared. Practically everyone carried either a small paper blue-and-red Haitian flag or a banner, usually of paper, bearing an inscription (in French, of course) calling for the "Termination of the Occupation," "Assembling of the Legislature," "Dissolution of the Council of State," "Liberty," "Justice," "Legislative Elections," or "Withdrawal of the Marines." A few banners proclaimed "Welcome to the Commission." The crowd was orderly, neither particularly friendly nor unfriendly, interested principally in displaying the banners. The demonstration had been extremely well organized by the political opponents of President Borno. The crowd followed us to our hotel and was massed in the Champ de Mars as we crossed to call on the President. Upon our return they filed by the hotel with their banners. We stood at the front gate and reviewed the procession. No untoward incident occurred.

Immediately afterwards the press descended upon us. "What are you going to do? Is it another McCormick Commission? Will you give us back our government? Will you dissolve the Council of State and tell Borno he cannot have it elect his successor? Will you withdraw the marines? We must have legislative elections immediately so that the new President can be elected by the chambers, constitutionally." We replied that we had come to study the situation with open minds and everyone would be heard and all complaints and suggestions studied.

We opened our public hearings at once. They soon became the centre of the greatest interest. The room in which they were held and the surrounding verandas were crowded long before the proceedings commenced. Over half the audience were ladies. The utmost decorum prevailed. Day after day for ten days from nine o'clock in the morning until five in the afternoon the taking of testimony continued. The morning sessions were always public, the afternoon sessions mostly private. After the first few witnesses were heard on the historical side of the question we asked that attention be concentrated on the present and future aspects of the situation. The proceedings were conducted in French, of course, and were made doubly long by the necessity of translating everything said.

The opponents of the Borno régime had engaged M. George

Leger to conduct the presentation of their case. He was educated in the United States, is a lawyer and speaks French and English. He performed his task simply and skilfully. After a certain amount of rather scattered and not very well supported criticism of the occupation the opposition concentrated its fire on the political situation. The complaints covered the dissolution of the legislature by the marines under the order of President Dartiguenave; the new constitution of 1918, written as they claimed by Franklin D. Roosevelt, then Assistant Secretary of the Navy, in charge of Haitian affairs; the method of its adoption, by plebiscite; the reëstablishment of the Council of State and its investiture with legislative functions; the usurpation of all real authority, executive, legislative and judicial, by President Borno and the Council of State, acting (it was charged) under the direction of General Russell and the American treaty officials.

President Borno, with the acquiescence of our State Department, had acted on the assumption that, under the constitution, the "even year" when legislative elections should be held, was left to his discretion. The opposition claimed that this nullified the constitution. Actually neither President Dartiguenave nor President Borno ever found it wise or expedient to call these elections and consequently governed the country with the Council of State acting, as provided in the constitution, as the legislative body. The Council of State consists of 21 members, one from each Department, appointed by and removable by the President. As a matter of fact, the President has frequently removed recalcitrant Councilors, replacing them by others more pliant. Ordinarily the two houses of the legislature sitting as a National Assembly elect the President of the Republic. But when the term of President Dartiguenave was about to expire in 1922, no National Assembly had been elected, and therefore the Council of State, in virtue of the "legislative" power conferred upon it, proceeded to elect his successor, thus establishing the precedent of presidential election by the Council of State.

M. Louis Borno, then Minister for Foreign Affairs, was chosen. For the past eight years he has governed practically as a dictator. He has coöperated whole-heartedly and in all sincerity with the American officials. He believes the occupation has saved Haiti and has been and is of the greatest benefit to his country. As Minister for Foreign Affairs under Dartiguenave he negotiated the present treaty and secured its ratification. He believes in it and in fulfilling it in spirit and in letter. This explains the bitterness of the opposition to him. We were surprised to find how bitter it was. Practically every witness produced by the opposition was convinced that Borno fully intended to have himself reëlected by the Council of State on April 14. Infuriated by Borno's failure to call for the legislative elections last autumn (to be held in January 1930), his enemies were desperate. They saw in this failure a scheme to continue the dictatorship. President Borno, on the contrary, proclaimed in a circular published broadcast that he considered that the country was not ready for and could not politically afford a legislative assembly.

Witness after witness publicly testified that the people of Haiti would not accept the choice of the Council of State as the next President of the Republic, and that if the Council of State attempted to elect anyone a revolution would ensue which only American force could quell. Unarmed as they were, they said, they would nevertheless rather bare their breasts to American machine guns than submit to a continuance of dictatorship. Refined ladies appeared and joined in these asseverations. If their sons and fathers had to die, as they undoubtedly would if some way were not found to prevent this Council of State election, then they also would die with them. A bit histrionic and "*tropical*" as the French say, but there it was.

The opposition practically monopolized the public hearings of the Commission not only at Port au Prince, but wherever we went. They demanded of the Commission immediate legislative elections, the dissolution of the Council of State and the end of the Borno dictatorship. Everywhere we saw the same banners and heard the same refrains which greeted us on landing; sometimes the same organizers appeared in the crowds.

The President's party and the office holders — practically one and the same thing — were entirely on the defensive. They appeared before us and presented their side of the case, but the tumult and the shouting did not die. General Russell and the American officers of the *Garde* were convinced that something had to be done to allay popular sentiment and find a way out of the electoral *impasse*. President Borno had previously told General Russell that he had deliberately allowed his opponents to believe that a relative of his, M. Dejean, was his choice for the succession, but that this was not the case. He said he did not wish to be reëlected but hoped to see chosen some one of high standing, a man aloof from party passion and prejudice, who would be fair to all parties. He even mentioned the name of such a man.

With this information in our possession we acted on General Russell's suggestion and, after about a week of intensive study and patient listening, we invited M. Leger and four leaders of the opposition groups — Messrs. Rigal, Pradel, Houdicourt and Sam — to meet us in an informal conference at our hotel. They came. Chairman Forbes explained that we had come to Haiti without any political or administrative power whatever, and that our instructions were merely to study and report upon conditions as we found them. But, he continued, we were impressed by the delicate and dangerous political situation in which Haiti found herself, and we were willing, if desired by both parties, to use our good offices toward finding a solution. We had previously secured, through General Russell, President Borno's acquiescence in this move to effect, if possible, some compromise on a neutral candidate and meanwhile had also received President Hoover's approval of an attempt on our part to solve the crisis.

We informed the opposition leaders that we had been assured that M. Borno was not seeking reëlection and was willing to accept a neutral non-partisan as his successor. We said we were willing to help to find such a man. They all doubted that he could be found. M. Houdicourt asked with an air of finality: "Where are we to find this white blackbird?" But they agreed to think it over and return the next day with their answer. They returned the following day and said they were willing to try to reach a compromise and asked us what we had to propose. We then suggested that, as they were the leaders of the combined opposition and claimed to speak and act for their followers, they should prepare a list of five neutral men, any one of whom they would accept as Provisional President. M. Borno would be asked to prepare a similar list. If one man's name appeared on both lists, he would be the *merle blanc* [the white blackbird]; if no name appeared on both lists, we would endeavor to get an agreement on some man on one of the lists.

Our plan further contemplated that this man, once found, should be endorsed by a general convention of delegates, representing all the opposition groups, and afterwards elected by the Council of State as Provisional President. It would be further understood by him and all parties that he, the new President, would as soon as possible after assuming office on May 15, call for the elections to the legislative chambers; that he would then tender his resignation and the National Assembly would forthwith elect the new President for the regular constitutional term and the government of Haiti return to normal channels. Shortly afterward a list of five names was handed us. One of the names was that of Eugene Roy. When President Borno looked at the list he said that Roy would be acceptable to him and his party.

It looks fairly simple in print, but in practice it was not so easy. How could legislative elections be held legally before 1932? From the strictly constitutional point of view there seemed no way out. The constitution provides that these elections shall be held in an even year, to be called three months in advance by the President. They had not been so called, and in accordance with the precedent established by three presidential elections the Council of State in the absence of the legislature elects the President. Any other election would be irregular, revolutionary, and would run the risk of failure to receive the sanction of recognition by Washington. We had recognized in practice the right of the Council of State to elect the President in similar circumstances. From the State Department viewpoint it was the only legal way one could now be elected. It was also, of course, the Borno point of view, but it was not that of the opposition. In fact, it had built up its whole case on the theory that an election by the Council of State was illegal and would be entirely unacceptable to the people.

The election dilemma we solved by suggesting practically two elections of the same man — one informal, but none the less effective, by the opposition convention, and the other formal, by the Council of State. The gap between the two positions as to when the new temporary President could legally call the elections for the legislature which would in turn elect the definitive President we closed with the simple formula of "as soon as possible." We did, however, take the precaution of receiving the assurance that if the new President held that he could constitutionally call the elections this year the State Department would neither question the regularity of his action nor withhold recognition of the President chosen by the National Assembly if the elections were fairly and freely conducted. After considerable discussion with both sides, our compromise was finally accepted. The delegates of the opposition met in convention in Port au Prince on March 20. Each Department was represented. The convention endorsed the selection of the leaders and nominated M. Eugene Roy as their candidate and in its exuberance passed a few extra resolutions not entirely agreeable to President Borno. It looked for a time as if he might balk, but the State Department stood firmly back of the Commission's plan and President Borno's indignation was soothed.

The next step in the program was M. Roy's election by the Council of State. The Council was to have met for this purpose on April 14, but a canvass of the situation in the Council showed that a certain number of members were reluctant to vote for M. Roy, as other more promising candidates had meantime appeared on the scene. The opposition leaders became very nervous as the time for the meeting of the Council approached and charges were made that President Borno was planning to upset the whole scheme by failing to secure M. Roy's election. But President Borno met the test. On the eve of the Council meeting he adjourned the session until April 21, and in the meantime dismissed ten of the recalcitrant members, filling their places with men who would vote for M. Roy. The Council met on April 21. M. Roy was elected. He assumed office on May 15.

So much for the acute phase of the situation. What of the main task entrusted to us? How and when are we to withdraw from Haiti? Our answer to this question is, in effect, as soon as the "Haitianization" of the agencies of government has been effected with a fair prospect of stable government under the control of the Haitians themselves. We believe this should be accomplished by 1936, perhaps sooner.

Speaking for myself only — for this article has not been submitted to any of my colleagues before publication — I believe that the element of our policy in Haiti most open to criticism consists in the failure to train the Haitians for a larger participation in the administration of their affairs and then gradually to entrust them with it. The answer to this criticism which was given to us was not altogether flattering to the pride of the Haitian élite. It was pointed out that the great mass of the Haitian people either preferred American control or were indifferent, and that the small educated class, certainly less than one-tenth of the population, accustomed to look principally to politics and public offices as a means of livelihood, were superficially brilliant, but visionary and impractical and sometimes dishonest in positions of responsibility. Given the history of Haiti, the circumstances of our intervention and the general attitude of the military mind, one can understand at least the reluctance of the Occupation to jeopardize the efficiency of its administration by experiments in Haitianization. At any rate it was not tried to any appreciable extent, except perhaps in the *Service d'Hygiene*, the Public Works, and the *Service Technique*.

As the marine and naval officers detailed for duty with the Haitian Government receive their full pay from the United States Government in addition to their salaries from Haiti, the positions were much sought after and were usually kept as a close preserve of the Navy Department. The filling of practically all government positions by two-salaried and high-salaried Americans has been bitterly resented by the Haitians of the political and educated class. It is one of the root causes of dissatisfaction with the present régime.

The lack of foresight as far as "Haitianization" is concerned is more conspicuous in regard to the *Garde* than any other service. The policy of the Marine Corps in this respect is, in my opinion, open to criticism. After fourteen years only five Haitians have attained the rank of captain in the *Garde*, and the treaty has only six more years to run. We found that the Marine Corps — which is in actual control of the *Garde* through its commandant, always a marine officer — had, with or without good reason, filled up all the higher grades from its own commissioned personnel. Most of the lower grades are filled with its non-commissioned officers, all of whom have rendered excellent service, some for as much as fourteen years. None of the latter have ever been promoted above the grade of captain. The result has been that a dam has been erected which holds back the American non-commissioned officers at the grade of captain and consequently holds back the Haitian lieutenants as well. There may be some satisfactory explanation of this but, if so, I never heard it. It must be corrected before any real progress toward "Haitianization" of the *Garde* can be made.

In general, the American Occupation has failed to take account of the time element in its stewardship. Much valuable time has been lost. The President's Commission has recommended a change of attitude and of approach, as well as definite steps to be taken with a view to our withdrawal.

In accordance with the recommendations of our Commission, which have received the President's approval, a non-military diplomatic representative will be sent to Haiti as United States

Minister when General Russell voluntarily withdraws next autumn. He will exercise supervision and control of the treaty officials in Haiti and the marine forces as long as they remain. He will also have the duty and responsibility of negotiating with the new Haitian administration the progressive measures of our withdrawal and the "Haitianization" of the public services, and the degree and extent of American assistance to be rendered to Haiti after 1936. It will be one of our most difficult diplomatic posts.

Time alone will tell whether what the Commission has done in the way of restoring the legislative branch of the government and what we have recommended in the way of accelerated "Haitianization" of the public services will redound to the good of the greatest number of Haitians and to the ultimate benefit of the country. The foundations of democratic and truly representative government do not now exist in Haiti. It will be a long time before they can be created. Once the guiding hand of the United States is withdrawn I believe the "Haitianization" of Haiti will be accelerated. It may be that twenty years was all too short a time for the task of regeneration and the establishment there of stable government on a lasting basis. Our mandate of aid and assistance, unless continued in some form or other by the free will of the Haitian people, will expire in 1936. But interventions, mandates and protectorates of democracies by democracies for democracy are anomalies if not anathema these days. The native Demos has routed or is routing the imported idols of efficiency. Imperialism, no matter how unselfish and evangelistic, is on the defensive. "He travels fastest who travels alone."

# STALIN'S POWER

## *By Paul Scheffer*

THE official handbooks of the Soviets do not give Stalin's family name or the date of his birth. He was born in the year 1879, and is supposed to have come from a peasant family. Between 1892 and 1898 he attended a seminary for priests at Tiflis, whence, as the official "Communist's Calendar" states, he was expelled. Thereafter Stalin's life revolved within the monotonous triangle of secret revolutionary conspiracies, banishments and flights. This was the case with many other Russians, for Russia has always been a great producer of professional revolutionists.

But Stalin's ups and downs, or rather ins and outs, were more drastic than those of the average rebel. After he had reached his nineteenth year he was sent to Siberia four times. Thrice he escaped. He was sentenced to his fourth deportation in 1913, and this time stayed in Siberia till the February Revolution. Returning to Petrograd he was advanced to the organizing committee of the Bolshevik Party. The "Calendar" makes bare mention of the fact that he fought in the field in the Civil War between 1918 and 1921. He became People's Commissar for the Control by Workers and Peasants, then People's Commissar for Nationalities, and then secretary of the party. Since 1917, he has been a member of the Politbureau. The "Calendar" says nothing of his exploit as organizer and leader of the daylight robbery on a main street in Tiflis of a money transport of the Russian Bank (the party treasury was empty after the unlucky revolution of 1905!). It says nothing of a subsequent short trip abroad — Stalin's only contact with foreign countries. It says nothing of the activities whereby he put Lenin on the defensive during the latter's last year, closed Trotsky's mouth after Lenin's death, bested his partners, Kamenev and Zinoviev, in the all-powerful triumvirate which succeeded to Lenin's inheritance, and finally dethroned the new associates with whom he replaced them — Rykov, Bukharin, Tomsky. Stalin must have known that this insignificant *curriculum vitæ* would fall under the eyes of a million or more Communists. He certainly saw it before it was published. He may even have revised it himself. Inconspicuousness is part of his policy. Stalin may be boundlessly ruthless; he is, nevertheless, shy and shrewd.

Stalin seems to have conceived his hatreds as a young man. They were strong enough to survive his many imprisonments under the Tsars. They endure to this day. One may say that they derive from an inferiority complex. Stalin is the homely, unattractive offspring of a handsome race: a bony, over-large nose; a deeply furrowed, uncommonly low but very broad forehead; small eyes under heavy lids and bushy brows; bristly upstanding hair; strongly marked cheek-bones; formidable jaws; a correspondingly strong chin; a puny, slender, apparently underfed figure, which, to judge by the way he carries himself, must in reality be wiry and muscular. Such things play their part in history. Stalin cannot derive his poise from his physical appearance. The latter, rather, must be counted among the deeper causes which make him one of those men whose whole life evolves around a struggle for self-assertion.

On one occasion, in 1928 — it was a beautiful day in springtime — a parade of Communist athletic organizations was to be held in the Red Square at Moscow. The square easily accommodates fifty thousand people. The exercises had been scheduled for half-past eleven, but in accord with army customs everybody was on hand by eleven. The boys began killing time with one of the sports young people in Russia most enjoy — "girl-tossing" (a number of young men throw a girl high in the air and catch her as she comes down). All over the square one could see bright-colored shirts, skirts and bloomers sailing skyward and falling again. Stalin was to review the parade. As usual he came late. When he appeared, neither fanfares from the bands, nor a verse of the "International," nor the warnings of messengers sent hither and thither, could put an end to the "girl-tossing." In the pea-colored raincoat which he wears even on sunny days, and with his cap pulled as usual far down over his face, Stalin stood on the balustrade of Lenin's tomb. Nobody noticed. Nobody was interested in him. An hour later "retreat" was sounded. The crowd quietly dispersed.

Stalin is not a man who appeals to the sympathies of crowds or stirs their imaginations. He is not an electric person. Let us be more blunt: he is frankly unattractive, and all the more so since he knows he is, and shows by his demeanor that he does not care! Even his voice, a voice as hard and brittle as glass, lacks the undertones, the rhythm, that work so powerfully upon the music-loving populace of Russia. Zinoviev dazzles a crowd, but take him in his personal contacts, and the celebrated *tribunus populi* is surly, repellant. Without sharing Zinoviev's advantages in his public appearances, Stalin has his disadvantages in private contacts. He is a very impressive person, but works as man to man only by giving an impression of concentrated and unbending willfulness. You feel at once that he is "dangerous."

Shortly after the bloody conquest of Turkestan, a delegation from that country appeared in the Kremlin, and a number of Soviet notables assembled to receive the visitors. The hosts were seated around the table. Stalin came in, looked about, and began dragging up chairs, that the guests also might sit down. The trait did not exactly fit in with what people knew of him. Someone asked him why he did it. He answered: "What else, except our politeness, have we Asiatics to meet you Europeans with?" A significant remark! The seminary student from the Caucasus, the man who early in life had writhed under the contempt of European Russia, now speaks through his lips with an Asiatic's pride, with a sense of belonging to those vast regions of the Orient where conceptions of life are so much simpler and, in their forms, surer, colder, clearer than in sophisticated, spiritually distracted Europe, a Europe intellectually so pretentious, so arrogant, so sentimental, so full of fine phrases which, in most cases, deceive the people who use them.

Stalin never belonged to the brilliant group which gathered in Russia from all lands after the February Revolution and to which history has ascribed the triumph of the Revolution of October 1917. They were men who had drawn on all the resources of Western civilization as they lingered safe and snug (buried in many-sided troubles, perhaps, but also in newspapers) in the cafés of Munich, Geneva, Paris and London. That was the way they sharpened *their* weapons for the revolution! They had, to be sure, kept in close touch with the active fighters on Russian soil, and had even returned to the homeland at one time or another, such as during the Revolution of 1905. But they had not, or at least not entirely, led dangerously exposed lives as had Stalin. He saw himself as the one to whom the "dirty work" had been left. He liked to refer to himself as the "hall sweeper" of the Revolution. And now, in the hour of victory, he was being admitted to the inner councils of the leaders grudgingly if at all. The eyes of the aroused populace stubbornly looked past him to men who had the knack of holding the immense followings who came trooping to "the Cause" that year, men who knew how to make ringing speeches, mouth big ideas, rattle off fine theories — the Lenins and the Trotskys, the Zinovievs, the Radeks, and the Bukharins. For Stalin, all such were "Europeans," "émigrés." He had been the one, after the grievous failure of 1905, to keep the fires of revolution glimmering in Russia. In the first year of the new régime, he felt that they regarded him as necessary but did not take him at full value. In their eyes, he was still the "savage from the Caucasus," the man with more fist than brain, more nerve than intelligence — a fanatic. All the more keenly, therefore, did he feel the slight that was never uttered. (It is not difficult to understand that a man so inured to hardship should have very few personal needs, be indifferent to material advantages and dumb to æsthetic values.)

It is evident, now, that all along he felt that his hour would come. He had at his disposal, in a way no one else could have, an immense acquaintance with the 150 million inhabitants of Old Russia. In those swarming masses he knew just which individuals were the men to realize and sustain a proletarian revolution such as he conceived in that still barbaric country. The hypnosis of crowds and the frenzy of words of the first year, then the inspired and inspiring civil crusade against the remnants of Tsardom and its allies, must some day come to an end. It would then be a question of governing people no longer hypnotized, of using ways and means for forcing the masses together independently of such ephemeral throngs. No one knew Russia as Stalin did. No one realized as he realized what it meant to set up a single class of people, the proletariat — 3 millions of human beings in a land far from being industrialized — as the only class entitled to live, the only class entitled to rule, and then to drag 135 millions of peasants along in the same direction. Stalin also knew, as no one else knew, where to find the people who could be used in such a project: people of his mind and of his hardness, who were willing to look at the world only from below up; people of his origins, with undying animosities against everything "bourgeois" and against the arrogance and pretentiousness of the "intellectuals" who now claimed they had "made the Revolution!" They were instinctively certain that such educated individuals would, knowingly or unknowingly, be bound by a thousand spiritual ties to bourgeois ideas and ways and would never quite grasp the realities of a Communist revolution in Russia.

During the Civil War no one surpassed Stalin in self-sacrifice. Watching a parade at Tsarskoe Selo during the winter of 1918, he noticed a soldier who seemed dissatisfied, and asked him what the matter was. The man pointed to a pair of worn-out straw shoes. Stalin ordered him to take them off, put them on himself, and wore them all that winter. Trotsky devotes a brilliant chapter in his "Memoirs" to the railroad train in which he hurried from one dangerous point to another along the front over a year's time. Stalin never attained any such position of command. He has never forgiven Trotsky for that train, nor has he forgiven him for the wild enthusiasms he aroused in the Russian throngs by his speeches in Petrograd in the summer of 1917, calling for revolutionary action. It is characteristic of Stalin that he spent most of the period of the Civil War in the provinces, establishing himself with a few friends on the lower Volga, where they did very much as they pleased and were finally coaxed out by the people in the Kremlin — but only with the greatest difficulty — Trotsky acting as intermediary.

Stalin's special significance, which the other leaders could never refuse to recognize, lay, even during the first years, in his close contacts with the second, third, fourth and lowest ranks in the Bolshevik Party. While momentous political issues were being talked out in Moscow, the cohesion of the party rested largely on its "power on the spot," as the phrase went; in other words, on autonomous domination by the party's local representatives in each of the cities, large or small, of the vast territory of Russia. (Such, for that matter, is the situation today.) On the filling of these different posts, as well as on the ideas and conduct of the men who held them, Stalin came to have an enormous influence, even in Lenin's lifetime, as secretary of the party. He was by no means the only one who gave orders; but he did manage to organize among the local party chiefs a "guard" of "tough customers" whose ruthlessness in the exercise of their power could be taken for granted. They were not the people whom Trotsky, Lenin and Zinoviev were inclined to favor. They were men like Stalin — "non-intellectuals," "non-Europeans."

Some four months before his death, Lenin broke with Stalin. It is established that thereafter Lenin refused to have any further personal contacts with him, and stuck to that decision to the end. The idol of the Revolution was lying sick in a luxurious manorhouse near Moscow. The letters he wrote to Trotsky and to the

Central Committee of the party in regard to Stalin's rôle in party politics betray the utmost irritation at what the Caucasian had been doing. Lenin's intermediary, in the fight he made from his deathbed, was Trotsky.

No one, of course, can claim to have fully uncovered the secrets of Lenin's relations to Stalin. That Lenin feared for the party, for the state, for his whole achievement, there is not the slightest doubt. Max Eastman has reported a few characteristic details of the struggle Lenin had to wage against the "Moscow clique" in the party in order, for example, that his article on the fusion of the Soviet Control by Workers and Peasants with the powerful Central Committee might be even published. At that time Lenin refers to the existence of a "bureaucracy within the party" and expresses a determination that it shall not become all-powerful; this was one of the causes of the proposal of fusion. He was unmistakably alluding to Stalin.

Undoubtedly this was the ignition point of all the later conflict with Trotsky. By the phrase "party bureaucracy" Lenin meant to convey, with caution as to possible effects on the public and on the party at large, that a "ring" of party officials was forming within the party, that it had worked upward from deep down, that it was already making its influence felt in the Central Committee, in the Secretariat, in the Politbureau — and "on the spot" held the party agents and committees in the hollow of its hand. The ring in question seemed to Lenin and his intimates likely to eclipse the spontaneous coöperation of the whole party in the realization of Bolshevik ideals. And this, in the eyes of Lenin, was actually being done in an underhanded manner quite incompatible with Communist comradeship. It is an utterly unhistorical idea that Lenin ever ruled over his party with fatherly omnipotence. From the beginning to the very end he was called upon to fight vigorous battles on many subjects, battles in which blows were struck straight from the shoulder. Many a time Lenin knocked his opponents "cold;" but he seldom dropped them.

With Stalin he acted differently.

What worried Lenin in Stalin's case was the latter's secret, slinking, anonymous expansion of his personal power in the party and his preference for the backstairs to more conspicuous routes. The tactics which Stalin was later to use with such success against Trotsky, first to silence him and then to reduce him to complete helplessness, he used against Lenin, the moment the latter fell sick. This enraged Lenin. It is an interesting fact that Kubischev (the present chairman of the Supreme Economic Council), already Stalin's man at any decisive moment, was in a position to suggest that the article by Lenin which was in dispute should be laid before him in a single copy of the *Pravda* to be printed for his personal benefit! This sort of person from Stalin's following was already in evidence in the high councils of the party. It is an unanswerable, though far from idle question whether Stalin might not have succeeded in unseating Lenin, if Lenin had remained in the fulness of his powers. It must be recognized as at least possible. The tactics which enabled him to triumph over all rivals he was already turning against Lenin with success, in spite of the latter's immense popularity. Nobody, nothing, has so far been able to resist him — no prestige, no merit, no reputation.

When Lenin died, Trotsky's fate, as we may easily see after the fact, was already sealed. Trotsky was the most significant, the most influential, among the men whom the world at large regarded as masters at the Kremlin. Nothing better illustrates the antithesis between the two groups than the opposition which soon after Lenin's death (as Eastman relates) Trotsky set up to an order of Stalin's that all members of the party should be in duty bound to report all "intrigues directed against the party" which appeared in their groups or classifications. The order was in effect a death blow to the free play of opinion, indeed to any exchange of opinions, on the part of individuals within the party — a death blow to the spontaneous development of policies within party ranks. It was also a death blow to Trotsky's personal position, which, like Lenin's, had rested on his personal popularity and on the confidence which not only the party but widely scattered elements in the population, even a part of the bourgeoisie, reposed in him. Trotsky adopted Lenin's phrase "party bureaucracy" and balanced it with one of his own, "party democracy." The latter too, in Stalin's eyes, was just another "European" and "liberal" idea. It connoted belief in a free *consensus omnium* arising from a competition of opinions.

His answer was to consolidate the rigid system of party officials he had long been quietly perfecting, a system resting on the local agents who wielded power "on the spot," but with its peak entering the party secretariat. The latter was composed of five secretaries; one of them was Lenin (the leader until his death), another was Stalin. Stalin now made himself General Secretary (a title not existing until he brought it into use), with complete control over the routine of organization. Was he not the best-informed on all local questions, all questions of personnel? He spun his threads. The belief that the cohesion and strength of the party was guaranteed by common convictions lay very far from his mind. Everything he had ever done bespoke contempt for any such thing. He used men who had an active understanding of absolute power and possessed the means of using force with which alone, as he knew, absolute power may be sustained in a hostile and not very responsive environment. He used these means no less readily against followers of his own, bearing heavily upon any form of resistance, even verbal; but leaving officials far-reaching freedom of action in all matters (especially personal matters) which did not seem directly to concern the interests of the Bolshevik régime.

People on the outside long regarded the fight on Trotsky as the work of the "triumvirate:" Kamenev, Zinoviev and Stalin. Kamenev was Trotsky's brother-in-law. He and Zinoviev had been close comrades of Lenin. That distracted attention from the fact that Stalin was pulling the wires. But how was it possible that the Central Committee of the party, which with the Council of People's Commissars had been in Lenin's time the decisive factor in guiding the party, could in any sense share or tolerate a baiting of Trotsky which — another impossibility — had been carried on for years within the very innermost circle of the party? Lenin's "Testament" — that great document in which carefully, judiciously, and with great self-control he reviews the capacities of his associates — contains two scathing words on Stalin: "Stalin is crude and narrow-minded." (Both words are there, not just "narrow-minded" as more often quoted.) Lenin said very positively that through these outstanding traits of character Stalin would ruin the party if ever he attained to leadership. In the past six years, by utilizing the very qualities for which Lenin coined his adjectives, Stalin has ascended to greater and greater power, and with him, if you like, the party. History has yet to judge whether Lenin was right.

In the Central Committee of the party Stalin found plenty of people available for the purposes of his tactics, people who had risen from the dark depths of revolutionary activity and whose intellectual horizons were as different from those of the "Europeans" as his own. He had worked tirelessly among them ever since 1917, while the "Europeans" held the spotlight. He worked with astounding shrewdness and foresight, with a keen instinct for the tempo at which his aims could mature. There was a group of "old Bolsheviks" (a discovery, it would seem, of Stalin himself), made up mostly of revolutionists who had passed their lives in agitation at home, and not in ease abroad. They were loyal to the Lenin group for the most part, but they were far removed, in the whole circle of their experience, from the sophisticated, cultivated intellectuals at the head of the government and were always full of honest anxiety lest the Revolution "go bourgeois." Their personal connections, like Stalin's, led toward the country, where Stalin had — and has — his "guard." The heirs of Lenin knew that they had to reckon with these gruff and bluff forces; but they thought they could easily do so, relying on the magic they had always used. But Stalin had come to the top precisely because he understood the organization of power from the bottom up better than anybody else.

"Old Bolsheviks," men of 1905 and earlier, had found their way into the Central Committee in great numbers. Stalin influenced them directly and indirectly. He played them against the lower orders of the active party membership, and the latter, to a much greater extent, against them. This net, woven strand by strand, artfully, with tireless energy, with brutal threats against the wavering and with well-calculated thrusts at Trotsky and Trotsky's followers, was the "party democracy" which Stalin aimed at. While he was quietly making these manœuvres, he was hacking in a thousand different ways at the tender roots of the "European." Fickle, jealous, and ambitious Kamenev and Zinoviev, whose nerves were not made of iron, he turned with great subtlety against Trotsky and toward himself. He reminded them that the European varnish on the party was very thin — that they had to look out for their own hides.

Meantime public opinion was worked as vigorously as possible.. A short time after Lenin's letter became known (Stalin resisted its reading before the Central Committee as long as he could) there appeared in hundreds of thousands of copies, distributed all over Russia, a colored print which showed Lenin and Stalin sitting comfortable and smiling side by side on a bench in a garden. Stalin's dead enemy had become a friend! Lenin's apotheosis was launched the day of his death — just to keep Trotsky out of the public eye. No one worked for it more zealously than Stalin.

No one sought more assiduously for the immediate falsifying of the version which the public, and even the party, would receive of Lenin's relationship to Trotsky and the latter's group.

When, next, he succeeded in preventing discussions and rectifications before the country and the rank and file of the party the battle was won. By that time Stalin had solidly established (in the minds of many people of good faith) his opinion that governing is the affair of those who govern, and of nobody else — a strictly "Asiatic" conception. He had already drawn all power from the circumference to the centre of the party. Observers of Soviet politics must have remarked with astonishment that Trotsky had to close his mouth. The Kremlin was with Stalin. That Trotsky was a poor politician, everybody, his friends and his enemies alike, are now agreed. When his newspaper articles began to be refused or censored he had the unlucky thought of exposing the Triumvirate in a history of October 1917. The book reached only an insignificant portion of the public when it appeared in the autumn of 1924. By its publication Trotsky, the would-be man of strenuous action, showed that he was at bottom a "literary fellow," full of superstitions as to the power of the word and of logic. Had not Stalin been right in his judgment of the "European?" Stalin had already so consolidated his position that neither anything Lenin may have said of him, nor any little episodes away back in 1917, could drag him from the saddle. He knew much better than Trotsky how the piles are driven to support a permanent edifice of power.

The history of the Bolshevik Party in Russia after Lenin's death (and, in many respects, even before) may be read today only with numerous lacunæ, which may never be filled. But looking back over these past years, one can remark only with astonishment how every one of Lenin's close associates, and later of Stalin's own associates, was shortly treated as a rival and a climber. Toward the end of 1925 he had driven Kamenev and Zinoviev from high position to secondary prominence; the competent and brilliant Sokolnikov had fallen even earlier. Kamenev and Zinoviev, with Trotsky, had been Lenin's closest comrades, and the former were Stalin's helpers against Trotsky after Lenin's death. Bukharin and Rykov come forward in 1926. Combining with these, Stalin drove the others, along with Trotsky and his followers (among them Radek, who had twice sacrificed himself for Stalin), first out of the party and then (in January 1928, four years after Lenin's death) definitely into exile. In the autumn of 1929, twenty-one months later, came the turn of Rykov and Bukharin and many other high dignitaries who had joined forces with Stalin against Trotsky. Toward the end of 1929 Stalin forced Bukharin and Rykov (who succeeded Lenin as President of the Council of People's Commissars) publicly to declare that they would no longer stray from "the general policies of the party" or lend their aid "to any further errors." There is something worse than banishment!

If anything shows the road which the spirit of the Bolshevik Party has traveled since Lenin's death, it is surely this declaration. Never for an instant would Lenin have thought of allowing such a degrading note-in-blank to be made in his name on the convictions of a political antagonist who was a comrade in his party. At that moment Stalin's strategy attained its highest triumph. From that point his star has been declining.

The foregoing survey would not reflect the facts, unless these were defined somewhat more precisely. Stalin got control of power in the state by withdrawing all important decisions and debates in the party from public view, and even from the view of the party at large. He shrouded the Kremlin in a thicker and thicker cloud of secrecy. Anyone who tried to work toward the outside or sought support in the majority sentiments of the party (to say nothing of publicity among the Soviets) was immediately and successfully dealt with as a traitor. Stalin had thoroughly convinced the Central Committee that the exclusion of the public from all controversies was the fundamental principle of self-preservation. By cutting off the danger of interference "from outside" Stalin was able to make use of the forces he held at his disposal inside his close and stuffy inner circle. Nobody had such a well-knit organization of henchmen to depend on. His opponents could rely on little more than the feelings and sympathies of people "outside." These for the most part they surely possessed; but by narrowing their contacts with such forces, Stalin progressively deprived them of their points of support.

Furthermore, it is important to observe that, in his war on Trotsky, Stalin did not proceed in such a way as to kill the man politically. He merely paralyzed him. Trotsky was already helpless in 1924. The end did not come till four years later. In the same way Kamenev and Zinoviev (an idol of the masses), all those individuals whose portraits were to be seen everywhere, who had had no end of buildings and institutions named after them, who received thunderous applause in public meetings even a day or two before their fall, were quietly paralyzed as a prelude to being eliminated. Only when sufficient poison had been administered in increasing doses in a thousand, ten thousand, party meetings, in pamphlets, and in resolutions from all over Russia, were they removed. Stalin never saw himself as replacing them with his own figure. He was all the more anxious, therefore, that they should disappear. He was resolved to be the darkest spot in the darkness at the Kremlin! The imponderables of popular administration and party devotion he valued highly as political assets of his antagonists, however much he may have despised affections which he could never hope to enjoy himself. But he was convinced that he could let mere popularities gradually fade away, be slowly strangled, by his own methods. Then would come the time to upset so many living corpses. He attacked his opponents or rivals on the ebbing tide of their reputations and always used the weaker against the stronger: first Trotsky, then Radek, and then Zinoviev, Kamenev and the dashing Sokolnikov.

The finish was not altogether easy. When he had herded all the people he thought dangerous together and saw that the opposition was struggling desperately in its death agony, he drew back for his blow in the open.

It was in July 1927 that for the first time he asked for their expulsion from the party. The blow missed. His motion was defeated. However much Trotsky and former opponents of Trotsky's who had joined him with gnashing of teeth may have lost prestige before the Central Committee of the party, the Committee thought that to expel them would be going a bit too far.

The story of how, unobserved by the world at large and by Soviet Russia itself, this crisis was solved, is very instructive. Stalin's request for the expulsion of Trotsky and Trotsky's friends for the first time fully betrayed his power, his ruthlessness, his hatred for the men who had stood godfather to the Revolution. For the first time all members of the Central Committee could clearly see how far they had allowed themselves to be carried and just where they had arrived. Even Stalin's immediate henchmen must have wondered whether the shock would not prove too great for the party, the country, the world.

Just before the meeting of the full Committee, Stalin had been in the Caucasus. On his return he found keen opposition and determined faces. Immediately he changed his tactics, as his method was. He got out of his hole by introducing and forcing through an almost friendly resolution on the sins of Trotsky and his friends, provided of course with a clause of "probation." Then he drew off again, took another "vacation;" but he was back within a fortnight. The opposition had been lead by Uglanov. It came from Moscow — a typical trait, for Stalin's stronghold has always been in the provinces. Uglanov and the little Bukharin (always enthusiastic, always hypnotized by someone) now had to betake themselves to Achilles in his tent. Since Stalin's defeat and "vacation," serious confusion and disorganization had arisen in the party. The effort to establish power on a broader basis, in the Politbureau and in the Central Committee, was not enjoying a very encouraging success. The incident showed what the party would be without Stalin. Not a few people had regarded Uglanov as the coming man. Those few days were the end of him. In December the expulsion of the Opposition of the Left ensued without any difficulties.

In this case too, at a time when Stalin had reached the summit of his power, he followed his old tactics. We see him avoid letting his conflict with the party come to a head, yield apparently, gather his forces, again lead them forward and — win!

In spite of all his successes, Stalin could not possibly have been cherishing any illusions as to the extent and intensity of his personal unpopularity, as to the general and growing doubt of his right to impose his will on everybody, and, above all, as to the soundness of his practical policy, a corollary to his fundamental conviction that the economic welfare of the country must be subordinated to the exigencies of power (which is shown most clearly by his agricultural policy). This man who strides restlessly back and forth in his office as he listens to his visitors (who usually come all a-tremble into his presence), seldom looks at them, and then only to glare with fierce disdain — this man who derides anyone who incurs his displeasure with unprintable epithets — cannot count on sympathies. It is said that at the Politbureau of the party he always tries to speak last, avoids expressing any view of his own till he has fully grasped the tactical situation, and often gives the other fellow the impression that he agrees with him only to attack him from the rear later. Slow-moving, cautious, he more and more came to play against the men who were powerful at a given moment the men who felt they were being overshadowed by them. His choice of persons for such purposes was extraordinarily happy. It was not merely that he replaced the important Jews and Russians whom Lenin used with many Caucasians. He managed, by a process of systematic selection during these years, to develop all over the country petty bosses of a special type, individuals of his naturally quick intelligence and, like him, of ruthless self-assertion untempered by any influence of culture, men destined either to ruin Soviet Russia or else some day to give the capitalist world a real nightmare.

Let us push this characterization of his policy a little further. While progressively restricting the circle of individuals who participated in power at the top, he progressively transformed the whole public organization of the Soviet Union into the executive of the party and made the party itself the instrument of the few on top. The Politbureau, the highest executive body in the party, he made the supreme source of power as against the Council of People's Commissars and the Central Committee. The G. P. U. had already packed these bodies with their henchmen. He did the same. He brought now this, now that, Commissariat under his personal influence: in 1928, the Commissariat on Agriculture, whose personnel, partly taken over from the Tsar's régime, had hitherto been regarded as the most "conservative;" and, in 1929, the Foreign Commissariat, as shown by the incidents with Germany, the straining of relations with Great Britain, and the form of the reply to the American Government on intervention in Manchuria. Despite the fact that, since 1921, Stalin has not held any official post, he has been busy not only personally deciding, but during the last two years personally reviewing and supervising — in addition to many other things — the whole Five Year Plan; and he has had entire personal charge of the problem of collectivization. In these connections he has so managed that all important questions are considered concurrently by the party secretariat and the public departments. In 1930 he saw fit to propose that the Central Committee should be divided into sections corresponding to the various Soviet departments. He has a private code for communicating with his subordinates in the Soviet delegations. All nominations to posts of any importance pass through the Politbureau. These are all developments which Lenin sought to avoid.

Certainly Lenin would have objected strongly to the measures taken by Stalin against the trade unions in order to render them wholly dependent on the will of the party. The trade unions had been a serious rival to the party in influencing the general trend of the economic policy and they had procured special material privileges for their members. During the past two years they have been reduced to purely technical institutions, and by the same methods which Stalin used elsewhere. Their leader, uncontestably, was Tomsky. After a terrible scene in December 1928 (the explanation of which here would take us too far afield) Tomsky's fate was sealed. Nothing is more indicative of the balance of forces in Russia than the fact that his removal from office was not made public, that it took place illegally by the decision of a small group, and that many unions did not learn of it until several weeks after it had occurred.

And the party itself? As early as 1924, Trotsky tried to prevent Stalin from naming party secretaries. By the beginning of 1928 that had actually become an official arrangement. During the same year complicated proclamations were published. In connection with the question as to just how far, in view of the supremacy of the party, it was in point to speak of a "dictatorship of the proletariat," Stalin put forward the formula that the party dictated in the name of the proletariat. But there is a dictatorship over the party also — the dictatorship of the party secretaries, to whom Stalin in turn dictates. The formula of "party discipline" has proved useful again and again in this connection. Groupings and mass organizations are not tolerated. The union of the "old Bolsheviks," for example, has become meaningless. Stalin has driven its members, for the greater part, into Trotsky's camp.

All this has been taking place, it is true, under a zodiacal sign of self-hypnosis on the part of individual party members, under the sign of the "collective will" of the party, which speaks at all times, that no one else may have a chance to speak. But it has also been taking place under a sharp and uninterrupted "listening-in" on party and country, an accurate calculation of what is possible and not possible, and, further, with ever-present readiness to make detours if necessary. It has been taking place under constant warfare on the concept of party democracy. Was not Stalin obliged, in 1929, in order to deal with certain stirrings in the party, to put forward the ingenious formula of "central democracy?" Nevertheless, the concept of "party discipline" as the highest duty of a member had been playing an enormous rôle — practically, as regards the general trend of the policy, the decisive rôle.

I cannot describe in detail the last stages in the process of concentrating the power of the Politbureau in Stalin's hands, but I should like to touch upon the fate of such of his allies in the war on Trotsky as sat with him on the Politbureau — Stalin's treatment, in other words, of such prominent party members (and at the same time leaders in the Government) as Rykov, Bukharin, War Commissar Voroschilov, Tomsky, and the aged Kalinin, president of the Soviet Union.

At the moment when Trotsky's Opposition of the Left was expelled, the economic situation in Russia was the chief issue, especially the falling-off in agricultural production. Either there had to be a slowing-up in the tempo of industrialization and the available facilities supplied to the peasants; or else agriculture had to be brought to forced production by some method of socialization, so that its production could be assured independently of the willingness or unwillingness of the peasants, and the process of rapid industrialization continued as designed. Stalin chose the second course. The Five Year Plan became law during that same critical year, 1929. Its application had already begun in October 1928. The world may have observed the tremendous increase in inner worries and tensions in the economic sphere into which the Soviet Union was plunged by this decision. Looking backward now, one must say that in this phase of his policy also Stalin steered to his goal by keeping the latter as carefully concealed as possible from his collaborators. The destruction of the wealthy peasants, which had begun in earnest by July 1928, was protected from any interference on the part of the elements grouped about Rykov and Bukharin, which considered such a policy disastrous. Party resolutions had spoken against it as late as June. What was going on in the country was for months kept secret from party members in the great cities.

Nevertheless, directly after Trotsky's banishment serious personal friction arose in regard to agricultural policy among those who were then comrades in power. As early as March 1928, Kalinin said to a deserving civil employee who had been tossed into the gutter for differences of opinion in the domain of statistics, and had appealed to him for help: "My dear fellow, I am not sure I shall not be on the sidewalk myself tomorrow morning!" Rykov, Kalinin, Bukharin and even the insignificant Voroschilov felt growing around them the same creepy isolation which had spelled the finish of Trotsky and so many others. All through the year 1928, as one or another tried to assert themselves, there were bitter quarrels. In the secret meetings of the Central Committee Stalin was forced to allow his opponents to have their say. He even pretended to give in to them. In the Politbureau, however, he answered with short, sharp words, or with threats now veiled, now open; and in the meantime, making full use of his organization, he forced things to the point he wished to arrive at. It is characteristic of him that, later on, in October 1928, he admitted with undisguised cynicism that unfortunately, by some mistake, 12 percent instead of 3 percent of the rural population had been treated as "Kulaks" — that is to say, more or less ruined. But Frumkin, who had courageously attacked him on this point, had to go. It was perfectly apparent now to everybody that Stalin had not only built up a state within a state, but also a party within a party.

In 1929, Bukharin, desperate, and in agreement with his comrades in misfortune, wrote a letter to Kamenev, who had succeeded in getting back to Moscow from the exile into which he had been sent with Trotsky. In this highly imprudent document, Bukharin stated that the Soviet Union would be ruined by Stalin's highhandedness and his disastrous policies. He urged that Kamenev take over the leadership against Stalin in the party, the majority of which, as well as the majority of the highest Soviet councils (as Bukharin very well knew) shared his opinion of Stalin and of the consequences of his policy. This letter was "stolen" from Kamenev. The Opposition of the Right was therefore obliged precipitately to come out into the open (always within the four walls of the Kremlin, I hardly need say). A majority vote in the Politbureau that Stalin should resign was supported by a similar resolution, based on four "whereases," which carried in the Soviet Executive Committee by 16 votes to 9. About the middle of March came an answer from Stalin: he would retire! But meanwhile he had been manœuvring. He was certain at that moment that no one would dare accept his resignation. He had again eluded the grasp of his antagonists; he was again playing the bottom against the top in the party, promising, threatening, browbeating, winning. During this period he cynically went so far as to telephone Bukharin in an effort to detach him from the enemy. He used the same argument he had put forward in the summer of 1928: "You and I, compared with others, are Schimborasso (Mount Everest)." Not a very courageous man as a rule, and standing with the stronger cohorts this time, Bukharin rang off. He had come to know his some-time partner too well!

In this proposal to Bukharin, Stalin clearly suggested the actual status of power in the Soviet Union. With or without allies, Stalin is Mount Everest. He is the dictator of dictators. Only, he prefers not to look the part. He is not Mussolini. Yet he has one trait in common with Mussolini — an extraordinary suppleness and pliancy — and he demonstrates it under a more difficult test. He has acted in full cognizance of the danger that lies in the usurpation of power by a small minority over a vast majority whose interests do not coincide with those of three million (or less) factory workers. He has not taken much stock in the myth of unity between workers and peasants, however much he may have supported the notion for propaganda purposes so long as it worked. He realized, with courageous insight, the futility of Lenin's conception of the NEP. He understood, without shirking any responsibilities, that active socialism and private initiative were incompatible in the same economic area, and he acted resolutely on the perception that the only salvation for the Soviet power lay in the ruthless socialization of the entire country, irrespective of the immediate consequences. These became very evident at once through the crisis in agriculture and through hunger in the towns. These consequences frightened his associates into desperate resistance (at the same time they evidently did not see fit to do without him). The fact that he reckoned with all these factors more accurately, more resolutely, with less disposition to compromise than his opponents and even than his some-time associates, has enabled him to achieve what he has achieved. His success is closely bound up with his perception of these factors. At the same time his success seems to be inseparably bound up with Lenin's characterization of him: "crude and narrow-minded."

The same factors which have operated in the past will, in the last resort, determine the future of Sovietism. Stalin's course is not yet run, nor is that of the Soviet State assured. The test will most probably come when Stalin disappears. It is not yet settled whether his policy of centralizing all decisions in a small group can be maintained. A year ago he was constrained, as I have said, to put forward the complicated formula of "centralized democracy" as exemplified in the Soviet Union. The fact is that the Union is ruled by a dictating minority which is dictated to by another minority to which a dictator dictates. These minorities are in constant change. Their only stable nucleus so far has been Stalin. The more exclusively he has become this, the greater the danger to the situation which his energy has created. For there has been a corresponding growth in the number of people whom Stalin has used and exalted, only to ostracize and deprive of their power at the first sign of independence or resistance. It may be that in the same proportion the number of people capable of assuming responsibility has decreased.

It may be that Stalin has gradually exhausted the reserves required by his tactics. Whereas formerly Stalin allowed his opponents to vanish, he no longer dares to do so. What does the top of the party look like today? Rykov and Tomsky, who have been threatened officially with expulsion from the party if they are caught in any further "deviations," have nevertheless been retained in the Politbureau, as have Kalinin and Voroschilov. The place of Bukharin has never been filled. This is the most astonishing manifestation of Stalin's tactics. Evidently he does not dare for the moment to give the party a spectacle calculated to prove that he discards everybody who has ever been anywhere near him in power. He is afraid of another and greater test of strength, of the danger which might reside in the appearance of new and not yet discredited people in the Politbureau, whose unworthiness he would soon be called upon to demonstrate to the Central Committee, the party, and the Soviets. He prefers to be surrounded by persons so weakened in their political prestige that he can hold them down without too great difficulty, even when inside the party distrust and suspicion of the wisdom of his policy grows apace. As a matter of fact, Stalin has created a vacuum between himself and the party at large. He has reduced the Politbureau very much to a farce. Of its eight members four are altogether in his hands. Three are dependent on him. He holds the Politbureau and the Central Committee of the party as in a pair of tongs, between himself and the rank and file of the "active" portion of the party — the party bureaucracy. The majority of the party as a whole is against him, or at least has become very critical. His precipitate retreat from forced socialization of the Russian peasants has added to the doubts which already existed. But there is no substitute for Stalin! Nobody would fit into the armor he has forged for himself during recent years.

But this personal security of Stalin's hides, implicitly, a very serious question as to the permanence of his system. The whole organism of the Soviet State and of the party that controls it has been adapted to Stalin's methods. In this sense it has ceased to be self-supporting. There seems to be nobody capable of taking over his inheritance and directing the state along new lines. The men who might have done so have been eliminated from political consideration. After Stalin men will come to the front who will try to be Stalin. They will eat each other in his name and in his manner. It is characteristic that his nearest helpers, at present Molotov and Saroslavsky, are regarded as third-rate men in every respect, even by the party. The artificiality of this whole structure of power is obvious. The danger for Soviet Russia comes first of all from the top of the party — a danger of partition and decomposition; and this may happen even in Stalin's lifetime. The event depends mostly on future economic developments. Or perhaps the younger generation of Communists may hasten the end. Stalin and his ring have educated young Russia along demagogical lines — certainly they have taught them to be "crude" and "narrow-minded." These young people may demand the fulfillment of the gigantic promises of power in the country — nay, of power in Europe and in the whole world — which have been held out to them. They have been taught to believe in imminent revolution. As young people, they are terribly young and terribly eager. They are by no means certain that they could not do what older people have not dared, replace Stalin.

# AMERICAN INDUSTRY ABROAD

### *By Louis Domeratzky*

ONE of the statements most commonly made in discussions of our present economic position is that the war changed us from a debtor to a creditor nation. The statement usually is taken to refer to finance, and the man in the street understands it as meaning that whereas before the war we had to borrow money from Europe to develop the country, handle our crops and build up our transportation system, since the war we have been lending to other countries — either to the underdeveloped parts of the world for the exploitation of their natural resources, or to the older countries of Europe for the restoration of their war-shattered economic structures.

In a general way this is a correct statement of the case, but it fails to bring out one of the most interesting and somewhat disturbing phases of our economic position. For we have not only assumed a creditor position as regards capital in its broad sense, but we have also attained a creditor status in the industrial field, so that at present our position in industrial technique, management, labor policy and certain forms of transportation and communication is decidedly that of a creditor — we give much more than we receive. It is true that this phase, as distinguished from the purely financial phase, cannot be traced entirely to the war: our industries had begun to gravitate towards Canada, Latin America and even Europe, some time before 1914. But the war undoubtedly accelerated the movement and rapidly furnished our industries with capital for expansion and with opportunities to improve their technique and acquire the experience which has given them a tremendous lead in some of the most essential fields.

This accelerated development has a very important bearing on our international relations. Even under normal conditions of development, the impact of a new industrial power of the magnitude and capacity of the United States naturally would arouse a certain amount of disturbance among the more settled and seemingly secure industrial countries of Europe. The pre-war rise of Germany as an industrial power furnishes a case in point. When such a power, by force of circumstances beyond its control, suddenly accelerates its rate of progress, spreads beyond its national boundaries, and is thrown into competition with its former mentors and financial backers — who, moreover, are weakened by war — the disturbance may reach considerable proportions.

There is unmistakable evidence of the fact that the present attitude of the older and more important industrial countries of Europe towards the United States is strongly influenced by this factor of economic disparity; many of the specific instances of economic hostility, whether they take the form of a rationing of the imports of our films or our automobiles or of attempted discrimination against investments of American capital, may be traced to the effort to overcome our lead and to protect the weakened structure of Europe against the new economic force. The same is true of the efforts to bring about some form of economic union among the European countries. The changes made by certain foreign corporations in the voting rights of their shareholders with a view to forestalling outside financial control were directed primarily against American capital. True, some of the European countries are gradually coming to the conclusion that our industrial development contains certain features that they might adopt with benefit, and some of them are doing their utmost to apply our industrial methods within the limitations imposed by local circumstances; but this does not necessarily mitigate the instinctive opposition to our disturbing participation in the economic life of Europe and of those parts of the world traditionally within the European sphere of economic influence. We must keep this background in mind if we are to understand the full significance of our industrial expansion and the complications following the establishment of branches of American industries, not only in the more settled countries of Europe, but also in the newer parts of the world.

In addition to antagonism aroused by the competition of the products of our branch plants, there also is apprehension regarding the influence of our industrial expansion on the labor markets of the countries involved. The tendency of American industry to emphasize the relation between wages and output does not always harmonize with the industrial policies of the countries where our branch plants are located, and the local industrialists maintain that the limitations of their markets and the lack of capital necessary for increasing the productivity of labor handicap them in competing for labor with the American branch plants. That attitude found expression in the discussions of the relative purchasing power of wages recently undertaken by the International Labor Office at the request of the Ford organization.

Even more significant than the movement's influence on our foreign economic and political relations is its effect on our domestic economic situation. This is particularly important, not only from the standpoint of labor, but also from that of internal commerce, transportation, real estate values, municipal finance and even federal finance. For if a considerable number of our important industries which have foreign trade possibilities should adopt the settled policy of supplying the bulk of their foreign business from their foreign branch plants, then sooner or later our domestic industry would be restricted to supplying the domestic market with finished products and (for a time, at least) the foreign branch plants with equipment and parts. The dividends to stockholders and the demand for American technical men to run the foreign plants will not go very far to compensate for the decreased demand for labor and construction and the relative lessening of activity in the industrial centres of the United States. But before going further into a discussion of this phase of the subject, let us see what are the outstanding factors responsible for the movement; we may then be able to forecast its development and evaluate its possible effects on our domestic situation.

## II

As already pointed out, while the armistice is generally regarded as marking the beginning of the creditor phase of our economic history, that is not true of our investments in foreign branch plants. The industrial expansion across the Canadian border started long before the war, and such typical American products as harvesting machinery, heating equipment and certain electrical machinery were produced in foreign branch plants about a quarter of a century ago. This is more or less true also of some of our mining and packing enterprises in Latin America, and of sugar investments in Cuba. Many such enterprises started at a time when the United States was still dependent on Europe for capital to develop domestic industries and transportation facilities and also for current financing. In general, however, the postwar foreign investment movement has put the emphasis on manufacturing and public utility activities as distinguished from those based on the exploitation of natural resources[1]; our manufacturing abroad of industrial and agricultural equipment and labor-saving devices is increasing, as is also our furnishing of services which represent the results of American research and industrial technique and which have been developed to meet our own special economic conditions and our own standards of living.

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[1] Except in Canada, where the industrial migration is influenced by exceptional economic and social factors.

When we try to examine motives we find it rather difficult to arrange them in order of importance, for their influence varies from industry to industry and even from time to time. For instance, the transportation factor, which may prove decisive in the case of harvesting machinery, may be of no practical importance in the case of a camera or a safety razor. Or the tariff considerations which may have been the principal inducement for the establishment of an industry in a foreign country may later be eliminated or modified by a change in commercial policy. Furthermore, motives seldom operate singly and it is rather difficult to assign each one the proper degree of influence.

In general, the establishment of branch factories for the manufacture of such commodities as have already found a place in the American market is motivated essentially by the desire to bring the product within the purchasing power of the foreign consumer by saving on transportation and import duty, or by inducing the foreign consumer to buy the product of the foreign branch plant when he is prejudiced, for some reason or another, against foreign products in general or against the American product in particular.

The general motive which perhaps has figured most prominently in the current discussion of the branch factory movement does not seem of very pronounced practical value. It is usually assumed that the outstanding inducement to start an American branch plant in a foreign country is to take advantage of a lower wage level. I am not in a position to state that this factor has not been considered very seriously by American industrialists contemplating foreign expansion, but I have serious doubts as to its actual value. Motives usually have a psychological character and do not lend themselves to statistical demonstration, so that I can support my assertion only by indirect proof. Canada, which has far more American branch plants than any other foreign country, probably comes nearest to duplicating American wage conditions, as evidenced by the interchange of labor between Detroit and Windsor. The standard of living and general consuming psychology of the two countries also are similar; and these, combined with the tariff factor, explain the special position occupied by Canada in our branch factory movement. Turning to industries, we may note that the automotive industry is probably most active in establishing branch factories. But when we examine the automobile branch plants we find that most of them are engaged primarily in the assembling of cars from American parts, so that even if the lower foreign wage scale is a factor in the assembling operations, along with the advantage of lower transportation cost and duties, it is not sufficient to overcome the advantage of our large-scale production of parts.

It would, therefore, be safe to assert that the difference in wage level does not figure very prominently in the case of Canada in general or in the automobile industry in particular. This is probably true of some other typical American industries, or industries producing by large-scale methods American specialties primarily for the American market. It naturally would not apply to American investments in Porto Rican embroidery or Turkish rug factories, where the chief factor is native skill developed under conditions that bear no resemblance whatever to those obtaining in the United States. It should also be realized that even in the case of the typical American industries there are signs of a tendency to extend the operations of the branch plants beyond mere assembling, but whether it is due to the difference in wage level or to factors like transportation or tariffs or, perhaps, to the desire for a better utilization of the foreign plant capacity (which in some cases is in excess of the immediate demands of the foreign markets involved), is something that can be ascertained only by an intensive investigation of the separate plants. Such an investigation would of course involve considerable difficulty.

Specific motives can be roughly divided into two classes, one positive, the other negative. The first includes the desire to utilize the advantages derived from original inventions and patent control and from the financial strength, general industrial experience and, particularly, large-scale production methods, which are regarded as the outstanding American contribution to industrial progress. The second class includes the desire to escape disadvantages like import duties, transportation costs, national prejudices and patent-law provisions which hinder the importation of the products of American factories. We might also mention the desire to take advantage of favorable conditions as regards raw material and power, or to get in "on the ground floor" in a new country with a promising future.

In speaking of the advantages enjoyed abroad by American producers owing to the fact that they cater to the needs of the most extensive domestic market in the world, and the one with the highest purchasing capacity, I must put forward a few reservations. The advantages of industrial experience and large-scale production methods are naturally somewhat diminished by the necessity of carrying on operations in an unfamiliar environment, especially as regards labor conditions and labor psychology. American labor seems more likely to respond to the economic stimulus of higher wages based on greater productivity than is labor in many foreign countries, where traditional wage policies and a chronic uncertainty of employment may disincline labor to coöperate whole-heartedly in carrying on efficient production based on American methods. Financial strength is undoubtedly one of the most important factors and figures very prominently in the European discussions of American industrial advance. The fact that some of our large industrial corporations are in a position to finance their foreign expansion from their own reserves may be an advantage of considerable importance when considered in the light of the capital situation in some of the more important industrial countries of Europe.

Of the factors which I have called negative the one that comes first into the mind of the American manufacturer when he plans to send his product to a foreign market is undoubtedly the tariff. The migration of some of our industries to Canada presents the most striking manifestation of the tariff's influence. In the case of Canada, moreover, the advantage of manufacturing inside the Canadian frontiers is enhanced by the fact that Canadian products enjoy preferential treatment throughout a large part of the British Empire. Consideration of the tariff factor is particularly likely in the case of a product adapted to assembling, such as the automobile, where the lower import duty on parts offers an opportunity for savings in duties without going to the extent of building a foreign plant adequate to manufacture the entire product. This factor is also effective in the case of luxury commodities, where the saving in duty is sufficiently important to overcome the handicap of less favorable technical conditions. Incidentally, one of the outstanding examples of the influence of the tariff in the case of a luxury article is to be found in the establishment of branch plants of French perfumery houses in the United States. Even if the tariff consideration is insufficient by itself to justify the establishment of a branch plant in a particular country, it may turn the scale when taken in combination with other advantages connected with savings in transportation charges, with being able to provide facilities for "servicing," and with satisfying national prejudices in favor of domestic products.

The part played by the transportation factor is naturally affected by the character of the product and the distance involved. With certain types of foodstuffs or other perishable commodities, it may be decisive. In some cases it may exert an influence based on more than one market; for example, it sometimes happens that a certain centre enjoys considerable advantages for international distribution and may therefore be selected as a location for branch plants in spite of the comparatively narrow market presented by the country in which it is located.

National sentiment is an influence that has been greatly intensified since the war. Many industries came into being as a result of the disruption of international economic relations by the war; certain industries were seen to be essential for national safety; and the post-war economic reaction has prevented certain countries in Europe from resuming their pre-war economic position. All this has served to strengthen protectionist sentiment and even to create it in countries which before the war were the exponents of more liberal tariff policies. In some countries regular campaigns are carried on to influence purchasers in favor of domestic products on patriotic or other grounds. In countries with extensive colonial interests, preferential arrangements or other means for placing the trade of the mother country in a privileged position operate to a certain extent against imports from other countries. While this tendency varies in intensity from country to country and is influenced to some extent by the economic progress of the countries involved, it is nevertheless a factor of considerable importance and in so far as it handicaps imports from abroad, either through a sentimental appeal or through tariff obstacles, it creates an inducement for the establishment of foreign branch plants. In the case of the British Dominions, the desire for industrial development operates in the same direction.

One of the most important reasons for the establishment of foreign branch plants is the desire to take advantage of convenient supplies of raw material or power. Outstanding examples are furnished by the tremendous development of the Canadian newsprint industry, to a considerable extent under the financial control of American paper interests; the expansion of the aluminum industry in Canada and Norway, with the participation of American finance; and the setting up of branch plants of American packing houses in certain parts of Latin America. When the foreign country's superiority as regards raw materials or cheap power is very pronounced, the centre of gravity in a particular industry may even shift to the foreign branch plants.

The advantages of establishing an industry in a new country with a potential capacity for economic development have not been overlooked by the more important industries of the United States. This policy, in addition to its promise of future profits, has also the advantage of gaining for the foreign investor a certain amount of good will on account of his manifestation of faith in the future of the country. It is hardly necessary to point out that such good will cannot be relied upon under all circumstances and that it sometimes evaporates under political stress.

In a number of foreign countries the patent laws provide that the patented product is to be manufactured locally within a certain time limit. In some cases the requirement is met by a licensing arrangement with a local concern; in others, especially where the market is of some value, a branch factory is found advisable.

The necessity for providing service facilities, especially in the case of complicated machinery and appliances requiring frequent adjustment, may operate as a secondary motive in the establishment of a branch plant. Again, a branch factory may sometimes be established for reasons of prestige, as a sort of advertisement for the main concern, rather than for legitimate economic motives. The desire to forestall the expansion of a competing concern has also been known to serve as a basis for such a policy. There are probably a few factors that may have escaped our notice, but we have examined the principal ones.

## III

When we come to deal with the branch factory movement from the standpoint of its effect on the economic situation in the United States, we find that the public discussion which the subject has received so far has centred primarily on the possible effect which it may have on labor. The attitude of organized labor as expressed at the last convention of the American Federation of Labor, as well as in speeches and statements of Federation officials, is that the establishment of foreign branch plants by American concerns is detrimental to American labor in so far as the foreign-made product prejudices the export of the product of the American factory. It is also pointed out that in some instances an attempt has been made to import the foreign branch product into the United States to compete with the domestic product, and fear has been expressed that such a tendency might develop to the detriment of American labor. It has therefore been urged that such imports should be prevented by some provisions in our tariff law. Considering the prominence given to comparative production costs in framing our tariff policy, it is not likely that an American corporation will risk any considerable investment in a foreign branch for the purpose of supplying the American market. The duplication of plant involved and the fact that in many cases it would probably be uneconomical to reimport the foreign product, would also militate against such a policy.

I therefore shall confine myself to considering the phases of competition based on the assumption that the foreign-made product displaces the American product in the market in which the branch factory is located, or in the secondary markets which may be supplied more economically from the branch plant than from the main plant in the United States. Since no statistical study — in so far as the subject lends itself to statistical treatment — of the effects of the branch plant movement on our export trade has so far been made, the discussion must be limited to its theoretical phases.

The assumption that the branch factory prevents the sale of the American-made product in the country in which the branch factory is located involves the further assumption that the purchasing capacity of the foreign market is sufficient to absorb the American product at the American price plus transportation charges and import duty and other expenses incidental to the delivery of the product to the point of consumption. If this latter assumption is not true — that is, if the sale of the branch factory product depends on the reduced price made possible by the savings in transportation and import duty and other expenses — it would be incorrect to regard the entire sale of the foreign product in the market where the branch factory is located as a measure of the loss incurred by the American plant. But it could hardly be claimed that Canada or Europe would now be taking as many agricultural machines, heating plants or cash registers from American plants as are now produced in the foreign branch plants; there is no basis for the assumption that those countries would have been in a position to pay the enhanced price or that their tariff policies would have been adjusted so as to overcome the tariff handicap against the American product. Take the illustration furnished by a case involving the establishment of an American-type industry in foreign countries through the branching out of the American industry manufacturing the production equipment involved: American shoe machinery, manufactured in the United States or in foreign branch plants, is generally admitted to have revolutionized the shoe industry of a considerable part of the world, but one would hardly claim that American shoe manufacturers would now be exporting shoes to the amount of the foreign production of shoes based on American machinery if such machinery had never been seen outside of the United States. American shoes, made at home or in foreign branch plants, are sold in many foreign countries, but they are intended primarily for the luxury trade and are beyond the purchasing capacity of the average consumer in foreign countries.

It would be extremely difficult — if, indeed, it is not impossible — to devise a method for measuring the actual loss to the American export trade involved in the establishment of an American branch plant in a foreign country. A mere comparison of the exports to a particular country before and after the establishment of the branch plant would necessarily involve certain assumptions as regards purchasing power and development of local competition which could not be supported by actual proofs; it would also have to be modified by the advantages derived from the shipment of parts and equipment and general returns from the investment. This does not mean that no loss is involved, but it suggests the difficulties in working out a basis for measuring it.

Where the branch plant is used to supply a market which is outside of the country where it is located and which was formerly supplied from the American plant, the loss is obviously more direct and lends itself to a more definite estimate. Cases might occur where on account of seasonal fluctuations or the more strategic position from the standpoint of service it might be found advisable to transfer a part of the export trade of the home plant to the foreign branch. The final justification for such a policy should be looked for in the validity and permanence of the economic motives involved and the competitive situation to which they might have given rise if the transfer had not been made. But whether the policy is justified from a purely economic standpoint or not, the immediate loss to the American plant cannot be denied.

One of the interesting points involved in any investigation calculated to ascertain the effect of the branch plant movement on our domestic industrial situation is the fact that not only has the proportion of our manufactured exports greatly increased since the war, but that some of the industries most conspicuous in the establishment of foreign branch plants have shown an unusual growth both in their domestic development and in their exports. The percentage of finished manufactures, excepting manufactured foodstuffs, in our export trade has increased from slightly more than 31 percent for the five-year period 1910–1914 to over 40 percent for 1924–1928. The absolute increase, of course, is still greater in view of the fact that the value of our domestic exports has just about doubled during the above periods. When we examine the groups of products theoretically most affected by branch factory competition, we find very considerable increases in the post-war exports of rubber manufactures, electrical, industrial and agricultural machinery, office appliances, photographic goods, and iron and steel manufactures in general. The increase in exports of automotive products is nothing short of phenomenal; in 1929 they constituted 10 percent of our total exports.

In the absence of detailed calculations based on an intensive study of each particular industry involved, this development does not necessarily mean that the results might not have been more favorable if there had been no branch factories. However, it does seem to indicate that such industries have not suffered absolutely from the branch factory movement, and lends a certain amount of support to the views held by many economists and students that an economic policy which serves to raise the purchasing capacity of foreign countries is likely, in the long run, to benefit the United States. The basis for this belief is found in the fact that for practical purposes our exports may be divided into two main classes: products intended to improve production methods, and those intended to raise the standard of living. It is quite obvious that in so far as our prosperity rests on our export trade, it is closely tied up with the economic welfare of our export markets; in so far as the establishment of American branch factories in foreign countries serves to increase the purchasing capacity of the population in those countries, the movement is likely to prove beneficial to us in the long run.

The critics of the movement do not overlook its broad economic significance or possible benefits, but are not convinced that the ultimate gains are sufficient to counteract the immediate and potential losses to certain specific industries and to the labor which is dependent on them. They also maintain that if the energy and capital put into the foreign expansion of our industry were utilized for a more intensive cultivation of the domestic market and the building up of its purchasing capacity, the foreign branch movement would lose a good deal of its economic justification. It is obvious that no definite conclusion is possible without having first settled some of the fundamental differences of opinion about our national economic policy, which is, we admit, somewhat beyond our capacity.

## IV

In discussing the extent of the branch factory movement, one is handicapped from the outset by the lack of even approximately reliable data as to the amount of American capital employed in that form of investment. While a number of private and government organizations have for years been collecting figures regarding foreign investments in general, no attempt has yet been made to isolate the investments in branch factories abroad. One of the reasons for the lack of information, in addition to the comparatively recent origin of the movement, is the fact that many of the branch factories are financed without recourse to separate public issues, so that any reliable investigation of the subject would have to be based on information obtained from the thousands of American corporations with foreign branches. An investigation by the Department of Commerce is now under way, but it will be some months before the results become public.

Estimates of the amount of American capital invested in Canadian industries have been published for several years by the Department of Trade and Commerce of the Dominion of Canada. According to the estimate for the end of 1927, the latest available, American investments in Canadian industries exceeded $1,300,000,000, of which about half was in pulp, paper, lumber and mining industries, which are based primarily on natural resources and power; the other half was in manufacturing proper. Current estimates of investments in Canada or in the rest of the world must be sheer guesswork. Even the Canadian official estimates are subject to a margin of error and must be considered in the light of the tendency on the part of Canadian capital to obtain control of the foreign branch plants in the Dominion. Another difficulty in estimating the capital invested is presented by the lack of a clear line of demarcation between the different forms of investment. Our natural tendency would be to include only manufacturing establishments and omit enterprises based on the exploitation of raw materials, like mining and lumbering, so that in the case of our large investments in the Canadian newsprint industry we should have to segregate the capital invested in the manufacture of pulp and paper; likewise in mining enterprises involving the refining process, only the latter would come within the scope of our classification. In the case of public utilities we should find another difficulty, not only because some of them manufacture equipment, but also because in so far as they are based on American technical achievements and efficiency in management, their contribution to the "Americanization" process is not essentially different from that of a manufacturing plant; in fact, their influence may be more widespread on account of the large number of consumers directly affected by them. While some form of arbitrary classification could undoubtedly be worked out, it would be futile to attempt any estimate of the investment involved on the basis of the fragmentary data available at present.

Some idea of the scope of the movement may be obtained from a brief discussion of the character of the industries participating in it. In the case of Canada, it is sufficient to point out that while industries like paper, automotives, aluminum, rubber and agricultural machinery are most conspicuous, probably thousands of other American products are manufactured or assembled there. In fact, if the Dominion maintains its present tariff policy, the scope and variety of the movement will probably be influenced primarily by the growth of the Canadian market on the one hand, and of Canadian capital on the other.

In Europe the range of industries involved is naturally much narrower; it includes primarily the production of automotive products and certain accessories, agricultural and industrial machinery, railway supplies, heating plants, photographic appliances, cash registers, certain office appliances, elevators, sewing machines, safety razors and even, strange as it may seem, toilet preparations. In the field of utilities, especially in telephone communication, American influence is beginning to be felt. In the rest of the world, American investments are gravitating more towards the exploitation of natural resources and public utilities, with potential developments in the purely manufacturing field in certain parts of Latin America and some of the British Dominions.

This more or less cursory outline should be sufficient to indicate that we are dealing with a movement of considerable significance from a national and international standpoint. It is clear that our foreign industrial expansion is an integral part of our economic development in the domestic field and is receiving its impetus primarily from our general industrial and financial progress. To the student of economic history this development is quite in keeping with the economic traditions of the more important industrial countries of Europe. Leaving out of consideration the industrial expansion into colonial possessions and dominions, which is often influenced by political as well as economic factors, we find that the industrial countries of Europe have in many cases manifested the same readiness to branch out into foreign countries as is now shown by the United States. The energy and initiative displayed by British financiers and textile men in developing the cotton industry of the world was probably as great, allowing for differences in scope and economic background, as that shown, let us say, by our own automobile manufacturers; in the public utility field, the pioneering work of the British railway contractors and gas engineers did not differ essentially from the functions of our telephone and power corporations. The same is true of the German chemical and electrical concerns and, to a smaller extent, of the Dutch margarine and the Belgian plate-glass producers. With all our present resources and industrial initiative, an extensive rayon industry and some important chemical concerns in the United States are still controlled to a considerable extent by foreign capital, and it is not at all improbable that as Europe recovers from the war there will be more instances of this kind, with or without the participation of American capital.

There is absolutely no reason, then, for regarding our foreign expansion as something apart from the broad movement of international industrial migration and international movement of capital that has been going on more or less since the beginning of our present economic era. We must recognize, however, that the change in the international alignment and the acceleration of our economic development since the war must be considered in appraising the international implications of our economic expansion.

# GERMANY AND THE YOUNG PLAN

*By Carl Bergmann*

THE name "Young Plan" has become identified with the decision for a complete and final settlement of the reparations question which was reached in Paris June 7, 1929, by the experts of the participating nations, under the chairmanship of Mr. Owen D. Young. It is a companion title to the name "Dawes Plan," applied to the decision reached by the experts on April 19, 1924, which led to the first temporary settlement of the reparations question and showed the way out of the chaos of the Ruhr Occupation. Furthermore, just as we understand by the Dawes Plan the entire arrangement between the creditor nations and Germany, including the subsequent agreement reached in London on August 16, 1924, so the name Young Plan covers also the agreement of The Hague dated January 20, 1930, whereby the governments of the creditor nations came to terms with Germany as to the final settlement of reparations in accordance with the decision of the experts of June 7, 1929, and The Hague Protocol of August 31, 1929. It is true that this entire agreement is officially known as the "New Plan," but it is likely to be known in world history as the "Young Plan" and for that reason it will be so designated here.

The Young Plan was accepted by the Reichstag on March 12, 1930, and was immediately ratified by Germany. Thus it took more than nine months — much longer than in the case of the Dawes Plan — to transform the Young Plan from a mere decision of the experts into a definite agreement between the Powers concerned. This is all the more remarkable because it was designed to effect, for the first time, a voluntary agreement between Germany and her creditors: it did not represent simply the more or less compulsory acceptance of dictated terms.

It is necessary, of course, to remember that the "complete and final" settlement of reparations which was the aim of the Young Plan entailed at the same time the settlement of a series of other difficult and complicated financial questions between Germany and the creditor nations — above all, that of the liquidation of German private property in the various erstwhile enemy countries. Furthermore, the military evacuation of the Rhineland, which had become closely bound up with reparations, and the question raised by the press as to the sanctions provided in the Treaty of Versailles, could not be settled overnight. However, the long delay was largely due to the conflict among the creditor nations themselves over the apportionment of the German annuities; indeed this was the chief subject of the first Hague Conference in August 1929. A later contributory cause of delay was the fact that the parties in the Reichstag made the acceptance of the Young Plan conditional upon a reform of the Reich's finances.

The longer the political conflict in Germany over the acceptance of the Young Plan dragged on, the greater became the general uneasiness. There is, in fact, scarcely anybody in Germany who would publicly declare himself satisfied with the settlement which the Plan prescribes. Both the German Government and the leaders of industry who came forward in support of it have always insisted that it was far from offering the solution which Germany might have expected; but, they added, under the pressure of circumstances it must be accepted, as it represented a lesser evil than the continuation of previous conditions. Above all, it was consistently pointed out that it was quite impossible to reject the Young Plan and revert to the system of the Dawes Plan, as that would bring about endless political and industrial trouble in Germany.

Thus with negative rather than positive arguments it finally became possible to defeat the fierce attacks which were made upon the Young Plan by the extreme Right and Left parties in Germany. Germany has accepted the Young Plan, but without any real satisfaction or real conviction. She regards it as a makeshift in a very difficult situation, but not as a "complete and final" settlement of the reparations problem.

Why did the German Government commit itself to negotiations with its creditors concerning a new debt settlement when the result finally achieved has proved so unsatisfactory? It will be remembered that on September 16, 1928, the five leading Powers among the reparations creditors, which had met at Geneva in pursuance of the German demand for an immediate evacuation of the occupied territory, had come to an agreement with Germany that, among other things, it was necessary finally and completely to settle the reparations problem, and to call a conference of the financial experts of the six governments for that purpose. At that time, Germany had gone to Geneva to demand the evacuation of the Rhineland, independently of the question of reparations. However, at the instance of France, and against the wishes of Germany, the two problems became so closely involved that the evacuation of the Rhineland was not to take place until the reparations debt had been finally settled. Thereafter, evacuation and reparations could not be treated separately in practical politics, and the only question was whether the German Government should take the initiative in calling together the reparations experts.

Even at that time those familiar with German affairs gave warning that the moment was ill chosen for a revision of the Dawes Plan, because there was as yet no economic experience upon which to base an accurate estimate of Germany's capacity to pay. The German Government nevertheless allowed itself to be persuaded to make a proposal that the experts be called together as soon as possible. An essential factor in this decision was the activity which the Agent General for Reparation Payments, S. Parker Gilbert, had been displaying for some time. As early as December 10, 1927, in his report on the third year of reparations, Mr. Gilbert had called for a thorough and satisfactory settlement of the reparations problem which would finally determine the amount of Germany's indebtedness, set aside the prevailing transfer measures, and abolish the Dawes Plan supervision of German finances. By repeated visits to the governments of the creditor nations, Mr. Gilbert had further prepared the way for a revision of the Dawes Plan. After the Geneva Agreement of September 1928 his conversations in London and Paris assumed a more definite shape and, thanks to his endeavors, there finally was found a formula for bringing the experts together on which all the participants could agree. Mr. Gilbert also cleared up the difficulties which immediately arose in Washington in connection with the participation of America in the Committee of Experts and the appointment of an American expert as chairman. The assurance and energy with which he took these responsible steps lead to the conclusion that, not only from his own study of German conditions but also in his relations with our government circles, he must have found some evidence that success would crown the meeting of experts — in other words, that between the demands of the creditors and Germany's willingness to pay a compromise could be found acceptable to both parties.

The sort of final settlement of reparations which would be drawn up by the experts in Paris could be defined in advance fairly accurately. Everybody knew, from the various speeches of M. Poincaré as well as from the official answer of the French Government to the German request for a conference of experts, that France would ask from Germany not only the discharge of her own foreign war debt but also further compensation, which must be large enough to cover her domestic war losses. England continued to take her stand on the Balfour Note of August 1, 1922, by which she demanded only so much in reparations and receipts on war debt account as would meet her debt to America; she also presented the reparations claim of the British Dominions. In reply to the diplomatic notes in which the creditor nations put forward their claims, the German Government rightly refused to discuss the material settlement of reparations until the opinion of the experts was available. It could, however, easily calculate what would be the approximate total of the creditors' claims, and all depended on the skilful negotiation as to how much those claims could be reduced. Those who were not blind could see that, under a system of annuity payments over a number of years according to the model of the Allied debts to America, the reparations settlement would probably provide for an average yearly payment of approximately two billions of reichsmarks, and that it might be possible with the help of American influence to reduce this sum by a few hundred millions.

This condition of affairs should have determined the tactics to be followed by the German negotiators, once it had actually been decided to send them to Paris for the settlement of reparations. No practical purpose could be served by negotiations at that time unless the German delegates were prepared in case of necessity to reconcile themselves to an annuity of some two billions of reichsmarks, and had adapted themselves from the beginning to that contingency. Instead, the German Government tried a different method. They insisted that the negotiations in Paris should be placed in the hands of experts who, independently of the demands of their Governments, were to investigate the general conditions governing Germany's capacity to pay and to make proposals for the settlement of reparations based solely upon practical conclusions. It is true that the creditor nations formally agreed to this, but the German standpoint in no wise influenced the character of the negotiations. The only government which left its experts in Paris free to act according to their own best judgment was the German. The experts of the other Powers were more or less strictly bound by their instructions. Dr. Schacht, the head of the German delegation, was exposing himself to bitter disappointment if he believed that, by choosing this form of negotiation, he could induce the creditors to abate their demands and on the basis of an independent examination of German conditions reach a conclusion that had no connection with the sums which they had been talking about.

The German delegation in Paris was permitted to set forth the economic situation of Germany in detail to the other experts. But nothing could be proved thereby, particularly as to the limitations of Germany's capacity to pay. The experience of four years had shown that Germany had punctually met the rising demands of the Dawes Plan in regard to the payment and transfer of annuities, apparently without any particular clashing with economic necessities; indeed the Agent General had regularly pointed out this fact with great satisfaction in his periodical reports. It was quite useless to refer to the fact that Germany's reparation payments were effected only through intolerable taxation and the heavy mortgaging of industry, and that the transfer of Germany's reichsmark payments under the Dawes Plan had been made possible only through a steady stream of devisen from foreign loans. Although all this was granted, it still was not admitted that Germany, out of her own resources, could pay only up to a certain point. It was precisely this which was to have been proved by the experience of the Dawes Plan over a period of years, but no such experience was available so long as there were no tangible obstacles in the way of the execution of the Dawes Plan. If economic results were really to be employed for the final solution of the reparations problem, there was no choice but to await the further development of events under the Dawes Plan, and to undertake its revision in favor of Germany only when it had been demonstrated that German industry was no longer in a position to meet the Dawes Plan annuities completely and to transfer the sums in question. It was premature, then, to go to Paris to negotiate through "experts" about the reduction of the German debt.

The German delegates quickly realized that they had come not to an economic inquiry but to a political deal, and this realization necessarily led to a crisis in the conference. The representatives of the creditor nations regarded the economic statements of the German experts as being merely the conventional introduction to a serious offer, as is usual in business; whereas the Germans were not in a position to enter into such negotiations. This explains why the experts spent months on the discussion of all sorts of secondary questions, without dealing with the kernel of the whole matter — to wit, the amount of the yearly payments — for fear of the conflict which would immediately ensue when the creditors named their terms and the Germans came forward with a counter-offer which would partially expose the complete misunderstanding as to Germany's capacity to pay.

But this eventuality could not be avoided; it occurred when finally the Germans met the demand of the creditors for average annuities of more than 2,200 millions over a period of fifty-eight years, with their own proposal of an average of 1,650 millions over thirty-seven years, and dependent upon innumerable conditions. This seemed to spell the failure of the conference. Even Mr. Young's compromise proposal, which settled the average annuity of the present Young Plan at 2 billions in round figures, was not in itself calculated to simplify the conflict of the parties, because it was no more based upon economic knowledge than was the demand of the creditors or the offer of the Germans. From this proposal it finally became very clear that what was afoot in Paris was, not the recognition of economic possibilities, but a purely political deal. That being the case, the German delegates would have had ample grounds for handing their resignations to the German Government. This conclusion was reached at the last minute by only one of the experts, Dr. Vogler, the representative of industry. The three other delegates were empowered by the German Government to take cognizance of the existing conditions and to come to an agreement with the creditors, according to their own best judgment, on the basis of Owen D. Young's proposal. The breaking off of the conference would have precipitated a crisis of incalculable consequences, whose beginnings were already heralded by panic on the German Stock Exchanges and in the ominous oscillations of the reichsmark.

If we recall the errors and uncertainties out of which the Young Plan was born, we find it perfectly easy to understand why there is no satisfaction in Germany now that the Plan is in operation.

It is not the final solution of the reparations problem for which all who had the welfare of Germany at heart had hoped. It is not the result of economic experience, postulated by the Dawes Plan as the condition of a final solution. On the contrary, it is a political venture, determined by the chance circumstances of the hour, and its success is entirely dependent upon the development of events in the future. The general feeling in Germany is that the Young Plan does not, as it purports to do, settle the reparations problem "finally and completely," but that it is only one step farther along the reparations road and towards German economic reconstruction.

However, if the acceptance of the Young Plan has not brought joy in Germany it would be wrong to draw the conclusion that the treaty, now that it has been made, will be observed by the German people with less earnestness and good will than an agreement which corresponded more closely to their expectations. In the manifesto addressed by President von Hindenburg to the German people on the ratification of the laws relating to the Young Plan, he exhorted Germany, with all his customary moral earnestness and stern sense of duty, to unite in working for the common good of the people and the country now that the conflict over the Young Plan had terminated. That this appeal of the President's met with enthusiastic approval is the best proof that Germany will proceed as faithfully with the execution of the Young Plan as during five years she met the demands of the Dawes Plan.

If, in the course of time, it should appear that the Young Plan cannot be carried out permanently, this will be due, not to any lack of good will on Germany's part, but rather to the fact that the burden of reparations which it imposes upon Germany is in effect unbearable. The enormous figure of two billions of reichsmarks (the average over thirty-seven years) frightens all Germans who are accustomed to think seriously in terms of economics. After her escape from the catastrophe of inflation, Germany fell heavily into debt under the régime of the Dawes Plan; and now it is feared that the reparations burden imposed by the Young Plan will involve Germany in even greater indebtedness, until finally her economic life completely collapses. Facts and figures cannot allay this anxiety, since the experiment of the Dawes Plan offers no criterion of what reparations payments Germany can make abroad yearly out of her own resources — that is to say, without constantly accepting new foreign loans. Whether the Young Plan can be executed or not, whether it finally and completely solves the reparations problem or whether it will soon prove necessary to revise the agreement with a view to a new settlement — these are questions which may perhaps be answered with one's feelings, but not with one's reason. The optimist will take a very different attitude toward them than will the foresighted skeptic.

In signing the Young Plan Germany is not unmindful of two conditions of the Plan which do not, it is true, expressly anticipate revision, but which offer the hope that they might lead to that result. One of these is the so-called political clause, the inclusion of which was effected by the German representatives in Paris. It states that, in spite of all efforts to reach an agreement on economic and financial grounds (as was established in the case of the Dawes Plan), political factors necessarily set certain limits within which an acceptable solution must be found; accordingly, the Plan rests not only on economic but to some extent on political considerations. How far this general reference to the political side of the Plan might be practically employed for purposes of revision, in case of necessity, remains to be seen.

The second clause of the Young Plan that is indicated as an opening for future revision is incorporated in the official statement of indebtedness of the German Reich regarding the payment of annuities. It reads as follows:

> In case Germany should declare a postponement, or if, at any other time, the German Government should declare to the creditor Governments and to the Bank for International Settlements that they have come to the conclusion in good faith that Germany's exchange and economic life may be seriously endangered by the transfer in part or in full of the postponable portion of the annuities, the Bank for International Settlements shall convene the Special Advisory Committee mentioned in Part 8(e) of the Experts' Plan of June 7, 1929.
>
> The Special Advisory Committee shall forthwith consider the circumstances and conditions from every standpoint, as provided in the New Plan, and shall indicate for consideration by the creditor Governments and the Bank what in their opinion are the measures that should be taken in regard to the application of the present Plan.

This is followed, it is true, by the statement that any recommendation of the Committee affecting the rights of the creditor Governments shall not be binding upon them until it has been accepted by the Powers which participated in the Geneva Decision of September 16, 1928, concerning the calling together of the Committee of Experts.

Opponents of the Young Plan in Germany have declared that these possibilities of later revision indicated by the experts at Paris have become illusory by reason of the so-called sanctions clause of The Hague Agreement. By "sanctions clause" is meant that provision in the appendix of The Hague Agreement dealing with the possibility that in the future some German Government might engage in actions indicating an intention to scrap the Young Plan. In that case, the Permanent Court of International Justice at The Hague is to consider whether the German Government has engaged in such actions; if it has done so, the creditor Powers shall, with Germany's consent, resume their complete freedom of action in order to insure the execution of Germany's obligations under the Young Plan.

Whatever we may think of this — whether the sanctions clause has any place in The Hague Agreement, in view of the entire development of the reparations question since the Treaty of Versailles — it is nevertheless clear to every reasonable, thinking person that it can be applied only in case of the deliberate rejection of the Young Plan by Germany, and it has nothing to do with the difficulties which may arise so long as Germany shows her willingness to execute the Plan faithfully.

Germany's interest in a possible subsequent revision of the Young Plan is all the greater because the much-talked-of transfer protection incorporated in the Dawes Plan has been abolished by the new settlement. As we know, the Dawes Plan obliged Germany to pay only in reichsmarks; it was the Reparation Agent's duty to receive the reichsmarks and, after having procured the necessary devisen, to transfer them to the creditor Powers. The Dawes Plan expressly provided that the transfer — that is to say, the exchange of reichsmarks into foreign money — should be made only in so far as this did not injure the German gold standard. If this danger arose, the reichsmarks taken from Germany were to be credited to the account of the Agent for Reparation Payments at the Reichsbank, and invested in Germany in a manner definitely prescribed. If 5 billions of reichsmarks were ever thus accumulated and there was no possibility of making the transfer, then the payments from the Reich budget and the railway tax were to be reduced until such time as transfers could be increased and the domestic accumulation cut down below the limit of 5 billions. In this way German exchange was to be protected from serious damage due to the pressure of the purchase of devisen for reparations.

As I have already said, this transfer protection of the Dawes Plan has hitherto never been put into operation, because the Agent for Reparation Payments could freely dispose of all the sums paid by Germany in reichsmarks without any danger to German exchange, owing to the steady offer of devisen which flowed into Germany from the rich stream of foreign loans. In accepting the Young Plan, Germany has renounced the protection which was provided for her in case of necessity by the Dawes Plan. Now the German Government must, in principle, pay the total yearly amount in monthly payments in foreign currency. But a difference has been made. One part of the annuity, to the amount of 612 million reichsmarks, must in all circumstances be paid unconditionally. And to this must be added the service of the 7 percent German Foreign Loan of 1924 — the so-called Dawes Loan. For the remaining, and larger, portion of the annuity, the German Government can claim a delay of the transfer for two years at most. In that case the postponed payment must be made in reichsmarks to the Reichsbank account of the Bank for International Settlements until the transfer again becomes possible; or the amount can be employed, under special agreement, for deliveries in kind. After the lapse of a maximum of two years, the obligation to make payments of the postponed amount in foreign currency, to the full extent, again occurs. In case the transfer delay has already lasted a year, Germany is entitled to postpone for one year the payment in reichsmarks of 50 percent of the amount susceptible to postponement.

Therefore, contrary to the Dawes Plan régime, Germany is now solely and independently responsible for the payment of reparations in foreign currency. She no longer enjoys a permanent transfer protection, but can merely postpone the transfer of single annuities from time to time for a maximum of two years. The Young Plan rests on the assumption that in normal times Germany is able not only to pay the total annuity in reichsmarks but also to transfer it abroad. The moratorium that is granted applies only to cases of special necessity which may occur in the course of the further economic development of Germany. In such emergencies the help of the Bank for International Settlements shall be invoked. This organization, newly created under the Young Plan, is primarily designed to take over the entire system of reparations payments and to replace the organization destined for that purpose by the Dawes Plan. The Bank is further to encourage the coöperation of the large central banks and to create new opportunities for industrial and financial operations, in order that the transfer of reparations shall be facilitated as much as possible.

The fact that the transfer protection of the Dawes Plan is lost to Germany has furnished the opponents of the Young Plan in the various circles of German industry with their sharpest weapon. They declared that it was an irresponsible thing to surrender a guarantee the purpose of which was to protect German exchange from the dangers of an unusually large reparations burden, and to do this at a time when it was very doubtful (to say the least) whether German industry in the long run would be in a position to bear the burden of the new agreement. In answer to this it was widely contended that the transfer protection of the Dawes Plan had really been merely a pure theory of its inventor's, and that it could never have worked practically in accordance with the laws of economic development. Others, again, were quite willing to admit the great practical significance of the provisions in the Dawes Plan regarding the transfer, but they declared that the so-called transfer protection actually represented a serious danger for Germany, because at the moment when the Reparation Agent was compelled to suspend the transfer, lest German exchange be endangered, a general economic crisis would occur in Germany, and probably a political one as well.

The acceptance of the Young Plan has put an end to the debate as to the importance or unimportance of the transfer protection. For Germany was compelled to surrender the transfer protection if she desired to secure a reduction of the yearly burden which the Dawes Plan imposed upon her. The creditor Powers would have had no reason, from their point of view, to grant Germany any modification of their terms, if they in their turn had not secured this advantage: that, instead of the temporary and indefinite settlement of the Dawes Plan, a final and definite debt agreement had been reached, on the basis of which the regular payment of the reduced annuities seemed to be assured, as far as possible, over a period of time.

The Young Plan provides for a system of carefully calculated annuities rising in the course of thirty-seven years from 1.7 billion to a maximum of a little over 2.4 billion reichsmarks; during a further period of twenty-two years the annual payments fall from about 1.6 billion reichsmarks to some 900 millions. In The Hague Agreement Germany's yearly payments to the United States were deducted from these figures, as they were to be paid direct to the United States, according to the terms of a separate agreement between the two countries.

For the purposes of comparison with the figures of the Dawes Plan, the German payments to America must be added to the Young Plan figures, as must the payment of the amounts due for the service of the Dawes Loan (until completely amortized in the year 1949), as both these payments were included in the Dawes Plan. To the annuities of the Young Plan must be added the German payments to Belgium for the next thirty-seven years, in accordance with the agreement of July 13, 1929. Taking all these facts into account, it will be found that the reduction of the Young Plan annuities in comparison with the Dawes Plan annuities amounts to something less than 700 million reichsmarks yearly, during the first three years. But this does not take into account the so-called index of prosperity, which was introduced by the Dawes Plan; this provided for an increase in German reparations payments calculated according to definite factors in terms of the increasing development of German industry. The difference between the Young Plan annuities and the 2½ billion of the Dawes Plan gradually diminishes: after the lapse of ten years it amounts to some 400 million reichsmarks and after thirty-seven years to some 100 million. The financial relief which Germany receives under the Young Plan is of particular importance in the immediate future. For later years the comparison is of little value, as it is impossible to calculate what would have been the effect of the index of prosperity and the transfer protection under the Dawes Plan.

In addition to its financial advantages, the Young Plan provides the German people with achievements of great importance, especially in the field of national politics. Contrary to the wishes of Germany, the evacuation of the Rhineland was coupled with reparations. The result, however, has been that, in consequence of the acceptance of the Young Plan, the Rhineland is being freed of foreign troops five years before the date set by the Treaty of Versailles. By June 30, 1930, the last foreign soldier must have left German territory.

Further, the Young Plan eliminates the controls and guarantees created by the Dawes Plan for the payment of reparations. It restores the German Government's financial independence by abolishing the entire Dawes Plan organization for the supervision of German finances and by releasing the pledges which hitherto existed to insure the receipt of the reparations payments. Not only the Reparations Agent and the Transfer Committee, but also the foreign members of the Boards of the Reichsbank and the State Railways are eliminated. All powers conferred by the Treaty of Versailles upon the Reparation Commission in respect of Germany are rescinded. The German State Railway Company and German industry are released from the reparation bonds imposed upon them. Instead of the bond debt, however, the State Railways must for thirty-seven years pay the Bank for International Settlements a tax of 660 million reichsmarks per annum as their contribution to reparations.

On that portion of the Reich's income which was hitherto pledged (customs and consumers' tax), the creditor nations now retain only what is called a negative lien, which consists in the fact that the German Government has pledged itself not to mortgage this income for any other debt to the extent of 150 percent of the maximum yearly budget contribution to reparations, without the consent of the Bank for International Settlements.

On the other hand, the Young Plan leaves the guarantee for the 7 percent German Foreign Loan of 1924 — the Dawes Loan — completely undisturbed, as this is not a reparations debt but an agreement between the German Government and private creditors. The principle that, in cases of dispute, the decision should be left to an outside tribunal, was largely established by the Dawes Plan, whereas previously the creditor nations had repeatedly used forceful sanctions against Germany. In this respect, also, the Young Plan marks considerable progress, as it consistently applies the principle of decision by tribunal. All matters of dispute as to the legal or the practical application of the Young Plan which may arise between the participating governments and the International Bank will be finally settled by tribunal.

Whatever advantages must be conceded to the Young Plan as compared with the Dawes Plan, they cannot blind us to the fact that the new arrangement binds Germany for two generations to pay fixed annuities which German industry may or may not be able to bear. Responsibility for the decision to accept the Young Plan is not lessened by the mere hope that, despite the "complete and final settlement" which Germany has now signed, we may some day be able, should difficulties arise, again to meet the creditor Powers at the conference table and try to find a better settlement.

The more closely one examines the Young Plan, the more one is convinced that the creditor nations strove hard to evade any possible revision of the Young Plan by themselves and to leave direct negotiations so far as possible to Germany and the United States. Hence the distinction between the share of 612 million reichsmarks which must be paid in devisen, under all circumstances, unconditionally, and the share the transfer of which can be postponed for a certain time. The 612 million are destined to compensate for the war losses of the creditors; they must be commercialized and mobilized as quickly as possible, that is, bonds must be issued for them. This changes the political reparation debt into an ordinary financial debt of the German Government, hence into one not liable to any possible later revision. The postponable share of the annuities, however, corresponds, on the whole, to those amounts which the Allies have to recover on the basis of their various debt agreements with the United States, and it is particularly significant that the German payments during the last twenty-two years of the Young Plan almost exactly correspond in amount and extent to the Allied debt payments during the same years to the United States. It is remarkable that American experts effectively coöperated in the reparations settlement made in Paris on this basis, whereas the Government and people of the United States to this day maintain the principle that there is no connection between reparations and the Allied debts.

The intentions of the creditor nations, in the event of a revision of the Young Plan, are most clearly revealed in the separate agreement which their experts concluded in Paris on June 7, 1929, with the German representatives, and which was not signed by the American experts. This "concurrent memorandum," as confirmed by the governments at The Hague, provides that two-thirds of every reduction of the American claim on the Allies during the first thirty-seven years shall be passed on to Germany, while the total amount of any relief during the last twenty-two years will be credited to her. According to this, the creditor Powers have obviously left the prospect of any subsequent reduction of the reparations debt to the good will of the United States alone. They have even arranged matters so that, if there is any partial remission of their American debt during the first thirty-seven years, they retain a fourth part for themselves and give the balance of the original third to the Bank for International Settlements.

The German Government would be ill advised to order their policy as if the country's salvation depended in some degree upon a revision of the terms of the Young Plan. Germany has now accepted the Plan, and must use all her endeavors to carry it out. The question whether it will be possible for German industry to meet the yearly payments under the Young Plan regularly and to the full amount must make way for the fixed determination to do everything to make the new agreement as completely successful as possible. This requires not alone the energies of the entire working nation; above all it demands that public finances be handled in a way beyond criticism at home or abroad. Only if the budgets of the Reich, the provinces and the communes are consistently balanced, if all unnecessary public expenditure is avoided, and if the creative energy which lies in German industry is used to procure the necessary capital for Germany's needs — only then shall we have a firm foundation upon which the German people can look forward with calm and certainty to the development of events under the Young Plan.

Confidence at home and confidence abroad are the foundation of German credit and industry. The ability to win that confidence lies exclusively in the hands of the German people. Under the bewildering influence of the uncertainty and the lack of self-dependence which weighed so heavily upon the German situation during the years of the Dawes Plan errors may have been made, especially in the administration of public finances. But the conflict over the Young Plan has now established the conviction that it is Germany's noblest task to bring the strictest order into her finances and to encourage the creation of private capital, in order that we may be at all times armed to meet the onerous demands of the future.

# THE END OF THE HOUSE OF AUSTRIA

*By Joseph Redlich*

THIS August eighteenth ends a century since the birth of Emperor Francis Joseph of Austria. And three months later fourteen years will have passed since his death. Although his unhappy grand-nephew Charles succeeded him on the throne, Francis Joseph nevertheless was the last scion of the House of Hapsburg to rule powerfully over his empire. Emperor of Austria, King of Hungary, Archduke of Lower and Upper Austria, Duke of Salzburg, Prince of Tyrol, King of Bohemia, Marquess of Moravia, and so on, sounds the long title which the Chancery in Vienna carefully composed in the year 1804, when Emperor Francis founded the new Austrian imperial dignity to replace the full splendor of the crown of the Holy Roman Empire which had come down to him since Charlemagne. For he had become disgusted with it in consequence of the continual victories of Napoleon Bonaparte over his own and the Russian and Prussian armies, which had torn up the whole body of the sacred Empire and had taken all the sense out of the highest dignity in Christendom. He was the grandson of that good Emperor Francis, who vividly remembered his grandmother Maria Theresa, the Hungarian queen, and he carried her memory and that of the most enlightened monarch of this age, Joseph II, far into the nineteenth century. Heir and representative of the most exalted idea of rulership, he is the man who — alone — signed the ultimatum to Serbia and consequently declared war on July 30, 1914, thereby letting loose the pandemonium of the World War.

I still see him as he stood on the entrance of the open stairs leading up to his rooms in the old Castle of Schoenbrunn on the afternoon of the day of his return from Ischl after the war declaration had been promulgated: he was the same man for whom Field-Marshal Radetzky had reconquered Venice and Milan sixty-six years before, the same whom that gigantic despot of Russia, Nicholas I, had loved like a son, restoring to him Kossuth's rebellious Hungary in 1840, the same to whom Frederick William IV, his uncle, had written most tender letters of welcome when the eighteen-year-old boy had been put on the throne to replace his abdicating uncle; against him fought Garibaldi and Cavour, Napoleon III and ultimately Bismarck. Here now he stood, lord over fifty-two millions of subjects, eighty-four years old, bent by age but yet vigorous before the crowd of the German members of parliament come to hail the Emperor on that serious day. He listened to the words of the President of the House of Deputies and nodded, saying: "You are thus satisfied with what has happened?" Then he turned and walked up the stairs.

When all of us who lived many decades under this old man's sceptre now remember the hundredth anniversary of his birth, we unavoidably fall into a kind of historic reverie and of a sudden that whole world of old Austria rises up before us quick and vivid. And instantly we feel what a short time indeed a century is. Our whole life and the lives of our fathers and grandfathers fill that century almost to overflowing. We have lived through all that and still we are alive. For us that whole world of great events in peace and war, of great names and powerful men and of the rivalry of so many races and peoples united into one empire, in short, of all that reaches from Maria Theresa's blessed memories down to the World War: this is the historic Austria, our old world which bred us and shaped us and made our life what it has become. And always Francis Joseph stands in the midst of this many-colored, fine old picture that our memory retains — piously or cynically — just as we have known him from the old-fashioned likenesses of his childhood and the first years of his reign; and then we recollect him as he was later and almost until the last of his days, standing tall, erect, almost invisibly distancing himself from everybody, watchful and never shrinking his royal work, a dignified figure, every inch a ruler of men and lands.

This whole world of old Austria has now gone forever and with it no doubt the last remnant of old Europe. The last vestiges of its *ancien régime* have passed, no more to return. What began in 1789 in Paris was brought to an end in Vienna in 1918. The World War and the revolution it engendered separates for all time the past history of Christian Europe from all that the next centuries will make the white race do and suffer and become in its old home.

It is not sufficiently realized in our day that one of the biggest books of history was forcibly closed when the three great eastern empires of Europe collapsed as by one stroke: the Russian Tsarist Empire, the Empire of the Hapsburgs, and the Khalifate of the Turkish Sultan. The Bolshevist Revolution and the creation of a reformed, unbelieving, Islamic Turkish state and dictatorship are undoubtedly prodigious experiments of the modern man, of the sons of our technical age, who have begun to conceive the life of nations and their cultures as mere mechanisms which you best destroy when you have found out how to replace them by new, more scientific — *i. e.*, rationalist — constructions of ideas, principles, rules and other products of science applied to the mastery of human life, its forces and frailties, its emotions and follies, its dreams, instincts and propensities. Beside these two great volcanic eruptions the breakdown of the Hapsburg Empire strikes one as something quite different: almost as the last scene in a great play staged by a perfect artist, representing diversified realizations of a quite distinctive, peculiar civilization dating from far back.

There was no bloodshed in Austria during its sudden dismemberment, almost no show of passions; deep emotions were no doubt roused by what was going on on the public stage and at the same time in the life of each one of millions of persons by the tearing down of a whole system of central administration and government almost four hundred years old. In spite of the terrible depression which four years of starvation and the loss of many hundred thousands on the battlefields and in the hospitals had produced in so many hearts, in spite of the sudden victory of every possible form of up-to-date radicalism, of republicanism, nationalism, socialism, public order was unfailingly maintained in the big towns. Neither the triumph of the victorious Slav nationalities in the northwest and northeast and southeast parts of the Empire, nor that of the Social Democratic masses in Vienna and Prague, nor the fear and anxiety of the German middle classes about the future ever brought about a transgression of the limits of public peace and decency. Social order, threatened from all sides, remained on the whole undisturbed. One did not hear of outrageous fights between the different races where they lived together and their interests clashed. We watched rise, as it were, phantoms becoming flesh and blood by a miracle, the new national states heralded during the last weeks of the war. Czechoslovakia, Jugoslavia, Poland constituted themselves, drawing without undue haste the frontiers between their dominions; gradually they became real, designated by slender lines of customs officers and constables. Quite different indeed is the picture of events in Hungary. There surged the bloody farce of an outgrowth of Russian Bolshevism, followed after three months by a not much less bloody reaction of the old aristocratic classes, taking the reins of power into their hands again in that stump of the old great kingdom which was left to the Magyars at the Armistice.

The peace treaties corroborated and made permanent what the "liberated" nationalities had executed immediately after the Armistice. The obliteration of the House of Austria was perfect: the veto of the peace treaties against the union of German-Austria with the German Republic preserved the old name of Austria like a thin shadow of the old grandeur of the House of Austria, surviving merely as the head in the alphabetic list of the states of Europe.

The great difference between the catastrophes in Russia and in Turkey on the one side and the collapse of the Austro-Hungarian monarchy on the other is the fact that only the latter entirely concerns European political order and civilization. The hour of Turkish Islamic power in Europe has long gone. Russia did not acquire importance for European politics nor did it enter the orbit of European culture before the second half of the eighteenth century. But the House of Austria had been a decisive factor in the development of Europe as a whole for more than six centuries. By its collapse one of the fundamentals of the European order as it had stood since mediæval times was broken like a mighty stone out of a wall. For the development of the political order of Europe during a thousand years shows two great principles at work: first, the unfolding of specific national cultures of single peoples in connection with their own language, their own manner of thinking and feeling; secondly, the tendency to unite the separate territories and peoples into largely extended empires.

Thus the system of the so-called Great Powers of Europe, which grew up beginning in the seventeenth century, is expressed in the history of the great dynasties which formed those large states and powers. It is not until the nineteenth century that this whole system appears to be influenced by that new idea of nationality which arose out of the French Revolution. But the rapid rise of modern national feeling as the expression of the language and the specific character of each nationality in art and literature, in general ways of living and in law, intensified the national idea in the political order of Europe so strongly that in the first half of the nineteenth century it surpassed in strength the merely political tendencies of the time, the liberalism and democracy created by the French Revolution. Or it might be better put in this way: nationalism and radicalism quickly become complementary forces, each fostering the growth of the other. The Italian and German movement for national unity, the Belgian Revolution, the longing of the Poles for the restoration of their historic state, the desire for the political unification of the Greek nationality, were as many proofs of the irresistible force of the new ideal of European mankind to live in purely national states and to destroy what was opposed to this principle. After 1848 it threatened the existence of the super-national empire of the Hapsburgs, which represented the last outgrowth of the mediæval ideal of supreme rulership, founded in the common Christian faith but not connected with one single nationality.

Whoever realizes this historic position of the House of Austria immediately grasps one of the great consequences of its complete obliteration for the European world of today. Since the beginning of the sixteenth century Austria always had been an international, supernational and conservative power, conservative because it strove before all to maintain the old European order out of which it had risen to the highest place. This finds fullest expression in the House of Austria's unceasing fight against that first great revolution, which is called the Reformation. It also maintained its old conception of supreme mundane power as it was developed out of the dissolution of the feudal age in Spain and in Germany. The restitution of the glory and power of the old Holy Roman Empire was not the object of the policy of the House of Hapsburg. Indeed its leaders were "modernist" in politics when they first arose in the fourteenth century. Striving ever to increase their dynastic and territorial power, they sought to connect their dynasty with the crown of the decaying Holy Roman Empire. That crown became practically the hereditary possession of the House from the middle of the fifteenth century. From the very first the pure dynastic idea was predominant for every one of the succeeding emperors and sovereign lords. The concentration of the interests of the dynasty in the hands of each succeeding emperor, and his steady maintenance of those interests, intensified the strength of the dynasty and increased its orbit continually.

The methods which the Hapsburgs employed, too, were preeminently conservative. They added new territories to old ones by treaties, marriages, inheritances, not often by wars or by forcible subjection. Yet they made many wars in order to preserve what they possessed, to realize their legal claims and, before all, to fight for the old Church: this and the defense of Christian Europe against the power of Islam were the great causes for which they stood firm as a rock. They were part and parcel of their basic dynastic idea. In consequence of the imperial family policy, the greatest European wars of past centuries arose as wars for the Austrian succession. In fact, the first great war of this kind, the war of France and her allies against the union of the Spanish and German lines of the House of Austria, became the permanent basis for the division of Europe into the Great Powers of modern times.

The second great period of Austria's efficacy as the mainstay of conservatism was the Napoleonic age; nobody resisted the French Revolution and its offshoots so persistently as the House of Austria. And after the overthrow of Napoleon, Emperor Francis and his great Chancellor, Prince Metternich, made Austria the cornerstone of reaction against the modern ideas which the French Revolution had elicited. Prince Metternich boasted himself the faithful warden, the *rocher de bronze* of the great system of law and order in Europe laid down by the Congress of Vienna. At the same time resistance against modern political ideas by an elaborate system of police supervision and repression had become the essence of the inner policy of government in all the lands belonging to the House of Austria. But when the ideas and movements which rose in the west and south of Europe against the conservatism of the great dynasties broke through the dikes, the old House was almost swept off its feet. Nationalism and liberalism coöperated and the last hour of the Empire seemed to have come. It was a decisive fact, not only for the Hapsburg lands but for the whole of Europe, that the new leader of the House, the eighteen-year-old Archduke Francis Joseph, showed himself from the beginning an astoundingly faithful adept in the dynasty's absolutist traditions. His first Prime Minister, the providential man, Prince Schwarzenberg, broke the Viennese revolution, and by the military successes of Marshal Radetzky and by his own reckless diplomacy restored in full Austria's historic rights in Italy and Germany and its dominating position on the whole continent. Becoming the practical educator of the boy monarch, he first taught him and then strengthened in him confidence in the tenets of that kind of modernist absolutism which had been created by the Napoleonic system of imperial rule: that is, military power based on a large conscript army, strong central government by bureaucracy, and unification of the whole administrative system based upon a constabulary under military discipline.

I shall not enlarge here on the details of Francis Joseph's political education or on his development as an actual ruler. I wish only to demonstrate those traits in his mental individuality and character that predestined him ultimately to become the destroyer of his Empire and his House.

Francis Joseph was a curious combination of certain prominent features of mind and character of the two dynasties from whom he descended, the Hapsburgs and the family of Duke Francis of Lorraine, Maria Theresa's husband. Joseph II, son and successor of the great Empress, showed almost none of the characteristic qualities of his maternal ancestors. A study of his career and of his character shows him the genuine son of his French father. Joseph II was the only member of the House of Austria who was a fervent rationalist in the sense of his time. He was the only ruler of the House of Austria who delighted during all his life in promoting and executing radical reforms in almost every field of social, economic and political life. He lacked any reverence for the old, the historic, the traditional. He called himself the "appreciator" of mankind and his principal aim was to promote the happiness of the peoples he ruled by realizing the ideas of reform which the contemporary "encyclopædic philosophers" in France had taught him. He was, if I may be permitted to say so, a kind of imperial Thomas Jefferson, and of course at the same time an unshakable believer in his own absolutist rulership. His nephew and successor, Emperor Francis, by contrast showed a strong resemblance to his old Hapsburg ancestors: in his rigid adherence to the exalted notion of the dynastic principle, in his headstrong perseverance in what he called his principles of government, coupled with a shrewd opportunism in small things. But before all he had a true conservative mind, distrusting all innovations *a priori*.

Francis Joseph, fourth of the Hapsburg-Lorraine emperors, represented a curious mixing of many of the features of mind and character of both lines of his paternal ancestors. He was far from those pompous and fanatical Ferdinands of the seventeenth century, though he retained the exaggerated ideas of those baroque rulers regarding the supreme position of the House of Austria in the world. On the other hand, he derived his conspicuous chivalry and a certain habitual impatience from his French forbears.

The reforming spirit of Joseph II was quite strange to him, but in his youthful days he resembled him in his self-confidence and like his famous ancestor he had no respect for the historic and traditional element in government and life. He was fundamentally a cool and sober mind, almost wholly devoid of imaginative power, a realist, looking dryly at the world and at his work. Like his predecessors, he was convinced from the first of his divine right of unlimited monarchical power, but in his sober sense he also was aware that his rule must, before all, produce the best possible results for the peoples of his realm. He never doubted that the one great duty laid upon him was to attain this end. Yet up to the end he did not doubt that his empire, composed of so many different races and lands, could be governed successfully only by a hereditary monarch and according to his absolute will. And this is a decisive point to understand if one is to do justice to the clear but rather complex mentality of Francis Joseph: as a convinced absolutist he yet was never a true conservative. This was shown in the most conspicuous way when, on the advice of his first Prime Minister, he threw overboard the constitution which he had promulgated five months after ascending the throne, and at the same time abolished the constitution of Hungary and canceled by one stroke of the pen all the historic rights of his Austrian provinces. He felt not the slightest scruple in abolishing those old rights, on which were based all the legal titles for his own rulership, his royal crowns of Hungary and Bohemia and his sovereignty in all the other old possessions of his far-reaching territories.

From the beginning Francis Joseph must be understood as being fully convinced that he was doing the right thing when with all his strength he opposed all modern ideas. He was afraid of them and repudiated them. His whole reign remains a fight against them, and above everything against the modern dogma of popular self-government laid down in written constitutions. He was not less opposed to the theory of provincial, local and racial autonomy, ideas to which the conservative nobility of Austria at first strove to win him over. His unfortunate foreign policy and his military defeats then forced him to compromise with both these fundamental ideas. But his fate was decided by the compromise which the Magyars obliged him to accept after the victory of the Prussian armies in 1866. For from that event dated the rise of the absolutism of the Magyar race in Hungary, and its oligarchical parliamentary government, in place of his personal absolutism.

In consequence thereof the primitive confidence of the non-Magyar nationalities of Hungary in the old, highly respected and exalted figure of the Hapsburg emperor became more and more weakened, until it finally disappeared entirely during the World War. In the western part of his empire, in Austria proper, Francis Joseph had inaugurated modern constitutional life by a constitution which favored and satisfied only the Germans, who formed not much more than one-third of the whole population of the seventeen historic provinces into which Austria was divided. The growing resistance of the Slavs against the centralist system of administration was well understood by Francis Joseph, who readily made use of it to curb the liberal tendencies of the German middle classes. But he never realized that his empire could be best safeguarded by a perfect system of administrative decentralization and by the fullest realization of the principles of equality of all nations on the basis of local autonomy. Thus he closed the door against a reconciliation of the struggling nationalities of his empire. He could have opened this door in the first half of his reign easily, in accordance with the conservative point of view represented by the leaders of the aristocracy, but this did not satisfy his pride; he believed in his capacity to rule by his own will. In the last quarter of his century he could have attained a restoration of the vitality of the House of Austria if he would have accepted the federal principle as the basis of a modern empire. The fact that when he was seventy-seven years old he practically decreed for Austria the most modern democratic franchise as the basis of constitutional life, showed that he finally had become accessible to ideas of thorough reform. But it was too late in life for him to overcome that terrible medley of rival social, economic, and national forces developed by the forty years of his pseudo-constitutional régime — a régime that had produced the endless battle of all the minor nationalities against the privileged races of the empire, the Germans, the Magyars and the Poles.

Whoever surveys the whole process of the formation of modern political civilization in Europe recognizes that its dynamics must be seen in the reciprocal effects of centripetal and centrifugal tendencies. The imperial idea derived from ancient Roman history started the first main tendency, the rise of specific national and racial individualities the second. The dynastic power of the House of Austria evolved in the orbit of the old imperialist idea as a supernational power based on the Catholic faith of almost all its subjects and serving the whole continent by successfully repelling the Turkish aggression. After these historic reasons of existence had disappeared, new reasons slowly grew up: above all the economic fact that Austria formed a single large area of internal free trade and economic self-sufficiency. Thereby the empire aided the efforts of modern technical and economic progress in the interest of all the nations comprised within it. Politically, as a great power during the nineteenth century Austria rendered a great service to the world in safeguarding that delicate but indispensable basis of European peace, the principle of the balance of power.

In all respects the Emperor's policy failed: by the overweening attitude of the Magyars toward all non-Magyar races in Hungary, by the uncompromising stand of the German parties and the leading bureaucracy towards Czechs and Southern Slavs after the fall of Count Taaffe's long experiment of national reconciliation, and in consequence of the permanent fight between the various nationalities and of them all against the governing central bureaucracy. The occupation of the two Turkish provinces of Bosnia and Herzegovina in 1878, by creating a half-hearted new "forward policy" of Austria in the Balkans, had engendered the lasting hostility of Tsarist and Pan-Slav Russia and led up to the act of annexation of those lands, which showed that the alliance of Hapsburg-Lorraine with Hohenzollern was the last diplomatic and military safeguard for the maintenance of the empire. When finally the World War broke out, originating in the Balkan policy of Austria-Hungary, faith in the possibility of preserving the existence of it had long begun to disappear inside and outside of the empire. Thus after the death of Francis Joseph the decomposition of the old House of Austria became unavoidable despite the veil with which the rigid dictatorship of the war government tried to cover it.

The primitive *raison d'être* of the Dual Empire appeared already abolished when at the beginnning of the war Hungary turned her back on the famine in the western half of the empire, and still more when in the last year of the war the scanty provisions of food formed the object of a permanent struggle between the Austrian provinces and between the towns and the country. Then when the hopes which the Entente raised in the minds of the Poles, Czechs and Jugoslavs began to be realized, the roots of loyalty began to die in the army, which to the last, as it were, personified the empire and its dynasty.

The incoherent and contradictory attempts of the inexperienced young successor of Francis Joseph, tending as they did to replace his political system by reforming the empire into a voluntary aggregation of separate national states, were frustrated from the start by the hostility of the war leaders of Germany and by the veto of the Magyars. Nothing could any longer stop the final stage of the process of dissolution of the Dual Empire when at last the military strength of Germany began to crumble. Of the old supernational rule of the Hapsburgs nothing remained when, as by the wave of a magic wand, the new national states heralded by British, French and Italian propaganda rose out of the mist which in those last weeks covered the final descent of the Central Powers to destruction.

Democratic nationalism, maddened by four years of war, ultimately exploded the old dynastic union which Magyar dualism had been denaturing for fifty years. And now a great task stands before the peoples and governments of the succession states: that is, to proceed towards a new union of Central Europe, adequate to modern ideas of liberty and the equality of all nations. The House of Austria in the nineteenth century never did realize this problem, and never attempted seriously to solve it. The fate of democracy in this part of Europe depends upon its readiness and ability to solve what the obliterated House of Austria left unsolved.

# AMERICAN DIFFICULTIES IN PORTO RICO

*By Thomas E. Benner*

WHEN Columbus landed in Porto Rico on his second voyage in 1493 and took possession in the name of Their Catholic Majesties, he saw about him evidences of one of the causes of economic difficulties which persists today. Throughout the island's history it has been visited on an average of once in thirty years by a disastrous hurricane. Once or twice, in particularly unfortunate years, two hurricanes have occurred. Though buildings which are well constructed easily withstand these storms, the trees and plants upon which the livelihood of a largely agricultural population must depend continue to suffer.

History records that the Spaniards had exhausted the island's gold mines by 1536 and that Charles V then authorized a loan of 6,000 pesos to encourage the planting of sugar cane. In the four centuries which have intervened no other important mineral resources have been discovered. Cane, tobacco, coffee, coconuts and, in recent years, citrus fruits have had to bear the greater part of the burden of keeping alive a population now estimated at about 1,500,000.

To these original difficulties — recurrent hurricanes and the almost complete absence of mineral wealth — others were added during the four centuries of Spanish rule. African slaves were imported to replace an Indian population which preferred death or exile to submission. A census taken in 1531, only 38 years after the discovery of the island by Columbus, showed a total adult population of 3,040, of which half were negro slaves. "The effect of the institution [of slavery] extended . . . beyond the number directly held in bondage. It gave a patriarchal complexion to colonial society and agricultural organization, traces of which still persist. Moreover, nominally free labor, as not infrequently happens when servile labor exists, was assimilated in some degree to the status of its unfree competitors. . . . The more intelligent peasants left the country for the towns where they might enjoy the advantages of civilization. The rest stayed because they could not get away. Thus developed the *jibaro* [cf. 'hill billy'] class, as badly off in 1900 as in 1765."[1] Other factors went into the making of the *jibaro*. It is sufficient to say, however, that he was in 1898 and is today much like the mountain white of the Appalachian chain — illiterate and easy-going, versed in folklore, speaking a survival of the mother tongue of three centuries ago, shrewd, inclined to be suspicious of strangers, but the soul of hospitality when his confidence has been won.

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[1] "Porto Rico and Its Problems." Washington: Brookings Institution, 1930, p. 540.

Further complications existing in Porto Rico when the American régime began were a long tradition of autocratic government tending to operate in accordance with the principle that "to them that hath shall be given;" the resulting inexperience of the great body of the people with the uses of democracy; widespread infection from hookworm and malaria; and a rate of fertility which, despite a high death rate, has brought about a 53 percent increase in population during the American occupation.

The mistakes made at the very outset of the American administration of Porto Rico served to aggravate some of the existing problems. This statement is made in the full knowledge that in many respects it is unfair to the high idealism and honesty of purpose with which the responsibilities of government in the island were assumed. It is made, moreover, despite the fact that more men of the highest type were selected by Washington for service in Porto Rico during the first ten years of American administration than in the twenty years since.

The fact is that the American people were not ready effectively and intelligently to assume their new responsibilities. In the light of present-day knowledge, no people anywhere were ready.

In the field of education, for instance, the United States at the close of the last century was nearing the peak of what may be called a "bull market." An inheritance from the Protestant doctrine that every man, woman and child must be able to read the Scriptures in order to determine for himself "the Way of Life" had given rise in the fertile soil of the New World to a mushroom educational system in many respects sadly unmindful of the basic needs of its constituency. President Eliot had re-stated the ends which American education should serve and his counsel was just beginning to influence the minds of educational leaders. Immigration was providing the labor which, in many branches of industry and agriculture, was not being trained at home. The foundations of the "white collar" ideal had been well laid.

There were some unfortunate results from the fact that the United States took over responsibility for the government of

Porto Rico at just this stage of the development of American education. Some attempts were made to adjust the newly established educational system to the social and economic needs of Porto Rico, but the early educational administrators — able and far-seeing men, as their subsequent careers testify — were subjected to a pressure within and without the island which resulted in the final establishment of a system discouragingly like that then enjoyed by industrial Massachusetts. The best device for rating state school systems — Ayres index number method — placed the schools of Massachusetts first among those of the nation in 1900. They were good schools for that state, at that period in educational history. They were poor schools for an agricultural state and especially poor schools for Porto Rico.

In practice the new educational system ignored four centuries of Spanish culture and tradition except for special aspects which — sometimes wisely, but often mistakenly — were thought to be incompatible with what was called "Americanization." It laid much emphasis on books and on conventional schoolroom procedure. It did not in practice recognize the needs of an undeveloped agricultural population suddenly thrown into startlingly intimate contact with a wealthy and powerful industrial society. It tended to create white collar men and soon found, in view of the low status of labor in the island, that everything conspired to make it unfortunately successful in that direction.

The case was of course not so simple as these brief lines suggest. A number of other factors came into play, in ways more easily understandable now than then, to make sound educational development difficult.

What was true of education was also true of other aspects of government. In 1900 the bi-cameral legislature was more commonly regarded than it is now as the universal *optimum* for such bodies. In that year it would have been even more unsafe than now publicly to question the creed that the last word in the science of government anywhere in the world was written by the framers of the American Constitution.

Hurricanes, limited natural resources, over-population, the *jibaro!* And added to these problems a governmental system cut to fit the frame of Uncle Sam and, despite crude alterations, certain at many points to chafe and hamper the normal growth and activity of the new nephew.

Early in the American administration the new contact with the industrial world began to effect changes in the island. The most dramatic of these resulted from the attraction of northern capital to the long-established but poorly organized sugar industry. Efficient use of these absentee-landlord dollars required that the ownership or control of agricultural land be consolidated in order to feed the ever-growing appetite of modern machinery capable of consuming sugar cane a carload at a time and needing twenty-four-hour operation for greatest economy. The typical small farmer could not hope to compete with such high-pressure operation, and he was tempted in increasing numbers to sell his holdings at the high prices which the new industry could afford to offer. An officer of one of the great sugar corporations has suggested that the farmer might have invested the proceeds of his sale in sugar stocks and thus have shared in the enormous profits which others made. If he had done so, he would have provided the only example in history of such adjustment!

What actually happened to the majority was typical of what has always happened in such situations. Contrasted with the small cash income which the small farmer previously had won from the soil by much painstaking labor, the proceeds of the sale of his land had all the color of wealth. He moved to the city and bought a home. Here he soon learned how great is the gap between a small cash income, supplemented by the many items which enter uncounted into the usual farm situation, and a larger cash income which must provide all. Eventually, in many cases, his small capital was dissipated and he and his family were forced down a step or two in the social scale, becoming dependent for livelihood on employment in a labor market where competition is perhaps keener than anywhere else on American soil.

Small wonder that during this process he should come to feel that he had been the victim of a ruthless alien force! To understand his point of view fully it is necessary to remember that the capital behind the industry which had purchased his birthright came largely from outside the island, that the generous returns on that capital were going to the North or to Europe to enrich a group of absentee-landlords who tended to look with ill favor on his projects for taxation to support schools, build roads or improve the health service, and that the same tariff which increased the profits on the sugar investments of this absentee-landlord group added to the cost of the articles which he must consume in order to live.

These are not the only sources of Porto Rican dissatisfaction with the development of the sugar industry. One of the large corporations distributed a bonus equal to 100 percent of a year's pay to its salaried staff in 1928. Its farm laborers, whose average annual earnings are calculated[1] for the island as a whole at not over $168.75, did not share in this distribution. It has been claimed that a bonus to the laborers would merely have resulted in their failure to report for duty until this windfall had been consumed, but this does not explain the failure to use a part of the sum distributed in much-needed improvements of the conditions of living and of labor.

Another large corporation maintains two clubs for its employees — one for "Americans" and one for Porto Ricans. Islanders are not admitted to the "American" club. On the occasion of a visit to the sugar mill by some officers from the army post in San Juan, the Porto Rican officers were separated from the rest of the group and, at a baseball game which was part of the program, were seated on the opposite side of the field. A high official of the company admitted, when questioned, that the situation was unfortunate, but added that it was made necessary by the presence on his staff of employees from the Southern states. This is an explanation which does not explain. It is as though Mississippians were to insist that all South Carolinians ride in "Jim Crow" cars while in the Gulf state because some South Carolinians are negroes. As a matter of fact, it is the opinion of the writer, based on his personal observation, that a larger percentage of continentals from the Southern states marry Porto Ricans than of continentals from the North.

Another of the changes brought about in Porto Rico by closer contact with the industrial world is worthy of note. On the occasion of the visit to Washington of a legislative commission from the island, a very few years ago, an important member of Congress stated to one of the delegation: "It is as well to be frank. I shall not favor any further extention of self-government to Porto Rico until you show in your legislation more friendliness to American interests in the island." "What do you mean by American interests in the island?" he was asked. "American investments there, of course." "But do you not consider the welfare of 1,500,000 Porto Ricans, upon whom you have conferred American citizenship, to be 'American interests,' also?" In fairness to the American Congressman it should be said that the question struck home. It had not occurred to him before that there were other aspects of the sugar industry than those of chief concern to the stockholders from his own constituency.

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[1] Rosario: "Porto Rico and Its Problems," p. 562.

As much should be said for the stockholders themselves. Among them are men of philanthropic interests, but their public services are quite naturally rendered in the places where they reside — Boston, New York, Philadelphia, Baltimore, etc. They react as absentee-landlords have reacted everywhere and always.

Even divine prescience, without accompanying omnipotence, could not have completely avoided some of the pitfalls into which Porto Rico has stumbled under American control. There is a natural tendency in an ambitious people suddenly released from external restraints to try to copy the social pattern of other countries, which may or may not fit the local situation. Let us go outside the field of government for a moment and examine the labor movement in Porto Rico.

At the time the United States acquired Porto Rico the American labor movement had already a history of generations of bitter struggle behind it. In that fact lay the secret of the disciplined strength of the American Federation of Labor. Porto Rican labor sought to step into this well-organized movement without the advantage of having a similar background. It had northern labor's guidance, but in some degree it was delayed in learning from its own experience by the financial assistance received from the United States in its early campaigns. It was on the right track, but at times it moved too fast for its own or the island's good. The mistakes, however, have begun to be righted. Today Porto Rican organized labor sees more clearly and is better disciplined because of the very injuries it has done itself in the past. Through its able leader, Don Santiago Iglesias, who is also Secretary of the Pan-American Federation of Labor, it is taking an important part in the sane development of the labor movement throughout Latin America. It is natural to wonder, however, whether just as much could not have been achieved at smaller cost.

These are some of the annoying realities which from the outset forced themselves upon the attention of those concerned with the administration of Porto Rico. What might have been termed, in the phrase of a generation later, "a noble experiment" gradually came to seem full of thorny problems in which the factor of nobility was not oppressively conspicuous. The consciousness of the great responsibility which one nation assumes in undertaking to guide the destines of a smaller and weaker began to be dulled.

A friend of Porto Rico, anxious to do something for the island, approached the prospective candidate of one of the great American political parties just before the convention which later gave him the presidential nomination. He explained that he had come as the advocate not of an individual but of a state. He urged upon the candidate that, if nominated and elected, he select as Governor of Porto Rico a man qualified for the position and not merely a creditor whose account for personal or party service could be satisfied by the salary which goes with the office. The candidate replied: "I shall do my best. You know, however, that a political party always gathers about it a number of faithful wheelhorses, who must be recompensed for their services. Some of them we should not dare to foist upon our constituents at home and we must find positions for them elsewhere!" The candidate in question happened to escape the test, because he failed of election. But other and more successful candidates at other elections have occasionally named officials to serve in Porto Rico in accord with the formula which he so pointedly outlined.

These occasional departures from the earlier and higher standard might have been less serious if Porto Rico had been an unspoiled political Eden. But this certainly was not the case. An incident described to the writer by one who participated in it will serve to illustrate.

The Unionist Party, by far the largest of the three parties then active in Porto Rican politics, was in convention. One of its prominent men, José de Diego, was demanding the adoption of an independence plank. The great leader of the party, Muñoz Rivera, felt that the movement was unfortunate but feared that de Diego and his following might secede and thus convert the majority party into a minority. In this crisis he visited the Governor and asked what would be his attitude were the Unionists to write an independence plank into their platform. "This is a democracy," he was told. "I shall rule with the majority." Confronted by the danger that failure to accede to de Diego's demands might result in robbing the party of its majority position and of patronage, the political staff of life, which the Governor assured him would be given the majority however it might proceed, the great leader yielded. Independence thus became a plank in the Unionist platform by the decision of an American Governor appointed by the President of the United States!

The writer does not wish to suggest that Porto Ricans have not the right to seek political independence if they so desire. Nor, on the other hand, does he doubt the liberal intentions of the Governor in question. The story is cited to substantiate the opinion of the writer that what has been referred to as an "independence" movement at various times in the brief history of American administration of Porto Rico is, except in the minds of a mere handful of its exponents, nothing of the sort. It is, rather, another form of the same thing which the Northerner often complains about after a brief visit to the South. The Alabaman who has found in a few Northerners a fantastic notion that the outcome of the "War between the States" was in large measure due to an inner conviction of sin which finally broke down Southern morale is likely to surprise the next Northerner he meets. Similarly, the Porto Rican lady of distinguished ancestry who buys her clothes in Paris in the course of her annual visits to Europe is likely to express an enthusiasm for independence after hearing a presumably cultured guest from the North remark at a dinner at the governor's palace: "I am amazed to see how many of the native women dress with as much style as we do!"

When the Porto Rican political leader declares eloquently and forcefully that the island demands "liberty or death," he may be understood to be asking for Porto Rico the liberty to elect its own governor, as every state in the Union does. In short, he means — as did Patrick Henry — liberty to make one's own mistakes for oneself in preference to having another make them for one.

A further handicap to the effective administration of Porto Rico has been touched upon already but deserves further attention. It is the nature of local politics. The responsibility for existing conditions must be shared by all sides. Official representatives of the Federal Government have occasionally given examples of political methods worthy of the envious admiration of the boys of the old eleventh ward. They have been exceptions, to be sure, but they have had far-reaching effect throughout the island. On the other hand, the local inheritance from a *cacique* system, developed under Spanish rule and rooted in the poverty and illiteracy of the *jibaro* group, has been a persistent obstacle to reasonable standards of public service in practical politics. Happily this obstacle has been rapidly diminishing. Indeed, the relatively slight improvement in the status of this poor white group which has occurred to date has resulted in a disproportionately rapid amelioration of political conditions.

A local leader of the Unionist Party, commenting on the so-called *fuerzas vivas* (or agricultural tax protest) movement which occurred just prior to the 1926 legislative session, stated in a private conversation that its great significance was the evidence it gave of a growing body of public opinion to which the legislature dared not remain deaf. He said: "It has been true — increasingly so, the farther back I look — that a local boss or *cacique*, holding sufficient political or other power to crush out all signs of effective opposition, determined what should or should not be done in his district. No other local voice than his carried much weight with the legislature." And he went on to express his confidence in the continuing social, economic and political development of the island in a word picture which is so general in its application to social progress everywhere as to be well worth recording: "Our politicians remind me of logs floating on a stream. As they whirl and twist, catch on a snag or are temporarily stranded along the shore, they call on all to witness the clarity of vision with which they are guiding the river onward towards the sea."

Three major political parties existed from the beginning of American control over Porto Rico or came into being soon thereafter. The most powerful of these has been the Unionist, which descends from the years of bitter struggle to wrest a greater measure of autonomy from Spain. Second in point of voting power came the Republican, the members of which were brought together during the early years of American rule by the common goal of statehood for the island. The third party, known as the Socialist, was in fact a labor party and is also a development under American rule.

In 1924, alarmed by the rapid growth of the Socialists, the leaders of the Unionists and the Republicans, Don Antonio R. Barceló and Don José Tous Soto, formulated a working agreement between the two parties which to all intents and purposes constituted a new party, the *Alianza*. A section of the Republicans refused to follow their leader and finally, as a defense measure, joined with the Socialists as the *Coalición*. In the elections of 1924, which were followed by bitter charges of trickery and fraud, the *Alianza* swept the island. In 1928, however, their success hung in the balance until almost complete recounts had been made; and even then it was established by only a very small margin. Controversies which followed resulted in a group of the Unionists withdrawing from the *Alianza* to resume separate identity under their old leader, Don Antonio R. Barceló. At present, therefore, there are the following major parties in recognized standing: (a) The Unionists, made up of a wing of the old party; (b) the *Alianzistas*, made up of the remaining Unionists and a wing of the Republicans; and (c) the *Coalicionistas*, made up of the remaining Republicans and the Socialists.

The picture which has been presented, I fear, tells all too little of the wise, courageous and self-sacrificing service on the part of both continental and insular citizens which the island has often enjoyed.

Educational progress in Porto Rico since the American occupation has been without parallel, and credit for it is largely due to the readiness of Porto Ricans to make the sacrifices necessary to secure the best. The product of that educational system is just beginning to take its place in public life in the island. Until now posts of leadership have had to be filled by those whose formative years were lived under the Spanish régime. Another generation will see them replaced completely and this process will bring about changes in political thinking as great as those of the last thirty years.

Another sign of promise for the future is the consideration which has been given in recent years to the advisability of transferring the Bureau of Insular Affairs, through which Washington maintains its official contacts with the island, from the War Department to the Department of State. Such a transfer would undoubtedly result in Porto Rico's receiving the needed consideration of its geographic location and cultural inheritance and of their significance in any program of cultural interpenetration between the two Americas.

The island has long desired to be of service in this field and without either assistance or encouragement has done much more than is generally known. For example, a young graduate of the University of Porto Rico, Miss Luz Maria Ramos, was employed recently by the Republic of Panama to inaugurate a program of home economics instruction in that country. The services of Porto Rico's commissioner of agriculture, Carlos A. Chardon, have been loaned on request to the ministries of agriculture of several Latin-American countries; on the basis of his study and advice new programs of teaching and experimentation have been inaugurated in the republics visited. Many Porto Rican young men and women, products of the insular or of continental universities, have rendered similar service in other parts of Latin America. With their knowledge of the language and the point of view of the Spanish peoples they have seized the opportunities which have come their way as few continental American citizens could have done. Indirectly and perhaps quite unconsciously they have performed important services in the development of inter-American understanding.

More than a quarter of a century of American occupation of Porto Rico passed before the first comprehensive study of the island and its problems became available in the form of an educational survey.[3] It was more than thirty years before a social-economic survey, in press at the time this article is written, was undertaken.[4] The existence of these sources of authentic information will, it is hoped, serve to excuse the omission from this article of even casual mention of many pertinent matters, even if it does not also excuse the inclusion of others which might be thought impertinent. What the writer has attempted has been to emphasize a few of the problems resulting from the natural setting, the background of Spanish rule, the shock of transition to American control, the nature of that control, and the changes which have occurred in it as the force of realities tempered the original fervor of altruism.

It is hoped that what has been said will point the moral that there is a fundamental incompatibility between, on the one hand, discontinuous direction growing out of a too immediate responsibility to the exigencies of politics, and, on the other, the commitments which are unavoidably implied when one state accepts responsibility for the future welfare of another. Perhaps the most serious of the political and economic problems of American administration in Porto Rico are those which result from that incompatibility.

[3] "A Survey of the Public Educational System of Porto Rico." International Institute, Teachers College, Columbia University, 1926. X, 453 p.

[4] "Porto Rico and Its Problems." Washington: Brookings Institution, 1930.

# THE POLITICAL DILEMMA IN GERMANY

*By A. Mendelssohn Bartholdy*

WHEN Professor Bergsträsser wrote his account of the pre-war German political parties,[1] he began by pointing out the comparatively recent growth of a "*parteipolitisches Leben*" in Germany. He traced it back to 1848, thus giving present-day party politics in Germany an age of about two generations of men, to which we might now add a third generation of men and women. Two or three generations do not count for much in the development of a political institution such as parliamentary government by means of party organization, and if we observe in the German parties any of the defects commonly found in callow youth, either in the way of bad manners or of immoderate conceit, we should not feel justified in complaining about them.

But the astonishing thing about the German parties is that their most conspicuous faults and failings are not those which might easily be explained by their not having reached even their first centenary; on the contrary, they are those generally attributed to old age, or even to senility. Garrulous to the point of gossiping and backbiting, obstinate and quarrelsome, these parties show the tendencies of old men who seem to draw their power of outliving younger people from a gruesome pleasure in disappointing expectation of their death; there is all too little of the waywardness, the fine contempt for attachments of any kind, which form such marked traits of post-war youth, at any rate in Europe.

Parties in Germany certainly cannot be criticized for changing their programs, their methods or their personnel too often. Mr. James K. Pollock, Jr., in his admirable article on the German party system,[2] rightly says that, while the change from the old system — which was that of a government dependent on the assent of parliament for legislation and for "ways and means," but independent of parliament in all matters of administration — to the new system of parliamentary government under the

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[1] *Die politischen Parteien in Deutschland vor dem Kriege.* "Handbuch der Politik," 3rd ed., 1920, vol. I, pp. 369–375. This was a sort of prelude to his book on the history of political parties, "Geschichte der politischen Parteien," 5th ed., 1928.

[2] *The American Political Science Review*, November 1929, vol. XXIII, pp. 859–891.

Weimar Constitution, necessarily led to a change in the party system and methods, nevertheless the metamorphosis of the prewar parties consisted mainly of a change of names. On the whole I agree with Mr. Pollock when he says that not only is the historical background the same as it was before the war, but the German people also remain unchanged. This statement works two ways. In the first place it implies the retrospective notion of the great importance which political parties possessed under the Constitution of 1870, both in the larger states like Prussia, Bavaria, Saxony, Württemberg and Baden, and in the Reich, an importance which few foreign observers recognized before the war. Even in Germany, the insistence with which writers closely attached to court or government laid the merit of everything done and accomplished at the door of the monarch or his chancellor (whether he was made of iron, silk or red tape) tended to obscure in the eyes of many people the share political parties took in forming the destinies of the Reich.[3] It is only by contrast with the apathy of a present-day election under the proportional system, with its fixed lists of candidates, that older people ruefully recall the enthusiasm roused by an electoral fight in a single-member constituency in the nineties, especially in cases where the first ballot had not given a candidate an absolute majority and a second ballot had to be taken.

Very bitter things used to be said in Germany over the unnatural alliances brought about by this *Stichwahl* system, as it was called, but it had (and in France to this day has) the supreme merit of giving the two candidates who were at the top of the ballot in the first count a real opportunity of winning votes from electors outside their own party. Canvassing being almost unknown in Germany, this attempt to obtain further votes had to be made by the candidates and their principal helpers in the open, while party organizations tried to make bargains to the same end in the dark; and while it cannot be denied that the latter became more and more important with the growth of organizations, the power of the secretariat rising to an undreamed-of height during 1900–1914 in all spheres of business and official life as well as in politics, it must also be remembered that in the fight of a second ballot, with its numerous public meetings, party programs were exposed to healthy criticism and politicians had to show their real mettle.[4] The electors belonging to one of the three or four biggest parties, between whom the second ballot generally lay, used to go to the polls in just the same spirit of dumb obedience as they do in countries with a two-party system; but those who in the first ballot had voted for one of the parties of lesser strength — mustering possibly 25 or even 30 percent of the voters — had to make a real independent decision of their own, weighing the relative merits, or, to put it lower, choosing the lesser evil between the two candidates, one of whom would have to represent the constituency.

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[3] This became very marked even in Bismarck's time, when the Catholic Centre Party — Centre because its place was to the right of the Liberals in questions of religion and education, but to the left of the Conservatives in questions of foreign policy, treatment of minorities, supremacy of military power and state power generally — had won the Kulturkampf and felt strong enough to form a responsible opposition in the Reichstag.

That is also one of the reasons why the smaller parties sometimes exhibit political thought and resourcefulness which the great parties sorely lack. An example is the group of the Democrats, which, though small, is always in evidence; another is the "cave" of the left wing of the National People's Party, which played an important part as the "Free Conservatives" who were ready to support Bismarck's government whenever the die-hard Tories went into opposition against the great man, then for a time disappeared, then again supported Bethmann-Hollweg in his policy of conciliation towards Alsace-Lorraine, and during the last years of the war favored a liberal measure of electoral reform in Prussia. This wing of the National People's Party again came into prominence just recently, when they rebelled against the party dictatorship of Herr Hugenberg, forming a party of their own under the name of *Volkskonservative Vereinigung.*

One of the German Institutes of Politics two years ago made an inquiry among its associates about their membership in or affiliation with political parties before, during and after the war. The result was never published because it did not seem sufficiently important, a fact which justified the opinion of those who had predicted that it was vain to attempt to measure the effects of the war and the Revolution on the political opinion of the average citizen, because those effects were so slight as to be inconsiderable. Apart from the deceptive figures of 1920–21, in which the members of the pre-war National Liberal Party appear as Democrats, only to return to their old allegiance as soon as the People's Party had established itself as the successor of Bassermann's party, the strength of the parties underwent no greater change between 1913 and 1930 than between 1896 and 1913 or between 1879 and 1896.

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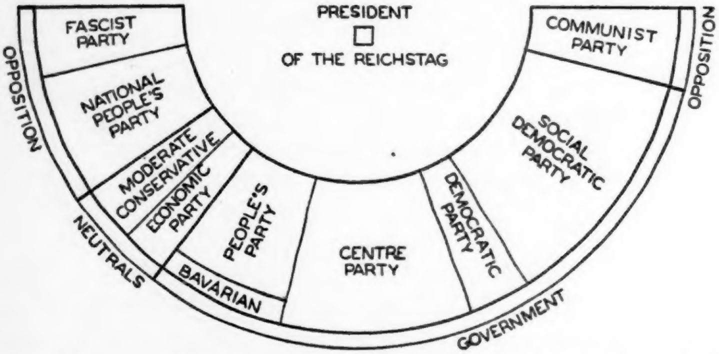
[4] Under the present electoral system by-elections do not occur; if death or resignation creates a vacancy, the candidate who stood next to the elected member on the party list at the last general election is declared elected without the electorate even being consulted. A real fight is a very exceptional feature even during a general election. It may happen in one of the smaller states when the local parliament is elected. Two years ago the State of Hamburg voted a new electoral law favoring the great parties at the expense of the small groups, which had become a nuisance to everybody else. The elections were held to be illegal because the electoral law had transgressed the principle of the equal vote for everybody. Then the President of the Senate, Dr. Petersen, who had formerly been the leader of the Democratic Party in the Reich, entered the fray and by addressing dozens of meetings throughout the territory of Hamburg in a whirlwind campaign succeeded in winning many thousands of votes for his party, which up to that time had seemed a certain loser. That, however, is an isolated case.

There is a second implication, however, in the thesis that the German people have remained the same and that the change in the German parties has been confined to their names and to their outward appearance. This second implication is as important as the first one, showing as it does that the German parties in their freedom from change represent the people fairly well as far as politics go. There is much talk at the present time about the desirability of a radical reform in our *Parteiwesen*, notably among the members of the many pseudo-military organizations which have sprung up since universal military service has been abolished; but if these advocates of reform carried the day and promulgated a law taking the vote away from all and sundry who had it in 1914 or 1919, I am afraid they would soon discover that even Fascism in Germany would be, not one, but from seven to nine kinds of the one-and-only-true-national conviction.

Neither a uniform catholicism in politics nor a rationalist two-party system has ever been in the nature of the political animal in Germany, whether southern or northern, eastern or western. We seem to be made to differ. Politics is one of the possible expressions of that aptitude, and after a due consideration of politics as practiced by other nations, we perhaps do not need to be too greatly ashamed of it. It may be noted in this connection that before the war some of the states of Germany knew only three or four parties: for instance, Baden, as some of the children of the *Musterländle* in the United States may recall, for many years had only two consequential parties, the governmental Liberals and the Centre in opposition; a few forlorn radicals who could not see eye to eye with a government even of their own liberal opinions, and a single Conservative were the only representatives of the many-sidedness of German party politics. Bavaria, with almost universal suffrage but a very clever distribution of seats in favor of the ruling party, had a strong majority of the Centre, a well-spoken but ineffective Liberal opposition, a few Socialists whose loyalty to the reigning house of Wittelsbach was proverbial, and, instead of the Conservatives, a peasants' party which combined a violent radicalism in some respects — especially those which are usually designated by the prefix "anti" — with the conservatism of an Irish Tory. In the Kingdom of Saxony the electors for some time were represented by a solid phalanx of radical Socialist deputies in the Reichstag and at the same time had not a single Socialist representative in the Saxon Diet. These good old days of simple devices for keeping undesirables out of parliament have gone; Bavaria still has a majority of the Centre Party, with the socialist group second and the nationalist group a good third, but Baden, Württemberg, Saxony and Hesse now must have coalition governments, and parties with them have multiplied so fast that in some cases even a coalition finds itself unable to form a clear majority, every possible combination of parties mustering only half the number of deputies.

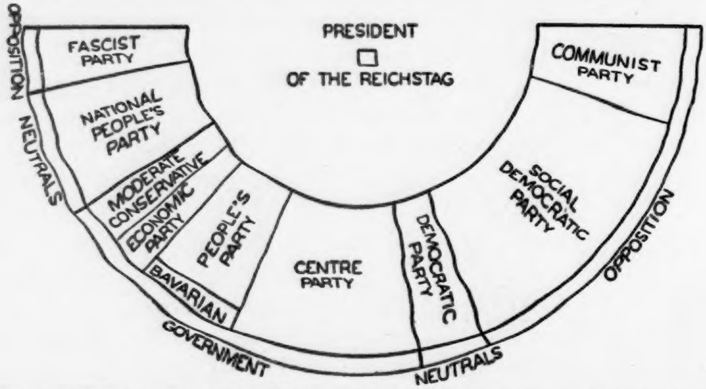
The Reichstag election of May 20, 1928, resulted in sending three minorities to the parliament: a minority of the Left, consisting of 54 Communists, 153 Social Democrats and 25 Democrats, that is — if they had ever voted together, as they certainly never did — 232 out of 491 members; a minority of the Centre, consisting of the Catholic Centre with 61 members, the People's Party (formerly the National Liberals) with 45, and the Bavarian People's Party with 17, that is 123 out of 491 (or, if their neighbor on the right, the Economic Party, voted with them, as it sometimes did, 146 out of 491); and a minority of the Right, consisting of the National People's Party (the Conservatives) with 78 members and a medley of small groups with different battle-cries numbering 35 in all, including 4 Junkers from northern Hanover pledged to restore the Guelphs to the throne which was taken from them by the King of Prussia in 1866. After a prolonged wrangle, there came into power a coalition government of the Social Democratic, Democratic, Centre, People's and Bavarian People's Parties, with the Economic Party benevolently neutral. The Socialist leader, Hermann Müller, one of the good men and true of the German Republic, became Chancellor; Dr. Stresemann remained at the Foreign Office; while the Centre Party resigned itself to a few minor seats in the cabinet, hoping that it would eventually obtain Dr. Stresemann's office, and leaving the Socialists in complete responsibility for finance and for the relations between the Reich and the states (Ministry of the Interior) — two offices in which even an old tactician could hardly hope to succeed.

The diagram shows the strength of the government as far as parliamentary support went. The Social Democrats occupied all the most important seats in the cabinet with the exception of the Ministry of Foreign Affairs. While Dr. Stresemann was alive, this was in a sense his own office, quite apart from party politics. The appearance of parliamentary strength, however, proved to be deceptive, and as early as the beginning of 1929 the augurs knew that the government was mainly kept in power by the intransigent and sometimes highly offensive opposition of the National People's Party under the leadership of Herr Hugenberg. They knew, in other words, that sooner or later moderate Conservatives who had at first submitted to party discipline either would muster enough strength within the party, and especially within the Reichstag fraction, to dethrone Dr. Hugenberg, or else would take their courage into their hands and leave the party just as their fathers and uncles had done in Bismarck's time. When that happened, they knew, the right wing of the coalition government would be irresistibly drawn towards this new group and would therefore grow very restive against further collaboration with the Social Democrats.


PRESIDENT
OF THE REICHSTAG
FASCIST PARTY
NATIONAL PEOPLE'S PARTY
MODERATE CONSERVATIVE
ECONOMIC PARTY
PEOPLE'S PARTY
CENTRE PARTY
DEMOCRATIC PARTY
SOCIAL DEMOCRATIC PARTY
COMMUNIST PARTY
OPPOSITION
OPPOSITION
NEUTRALS
BAVARIAN
GOVERNMENT

PARTY DIVISIONS OF THE REICHSTAG UNDER THE MÜLLER CABINET OF JUNE 28, 1928

A peculiar charm is always associated (and not only in Germany) with a group of people who are conservatives or even Tories by birth and upbringing, but who are also men of the world, taking a lively interest in the arts and sciences, perhaps a little fastidious in regard to good manners, yet sometimes even of a very advanced type, and painstaking and industrious workers. Many of them in Germany have been ardent social reformers, typically German (though mostly of the north) but without any trace of jingoism or blatant anti-semitism — in short, a gentlemen's party par excellence. That is, perhaps, the best explanation for the attraction which such a group has for the members of the *bürgerliche* parties, and also for the evident leaning towards it of a great gentleman like President Hindenburg. The weak point of this group, of course, is their constitutional inability to fight foul, or even to make use of the more harmless tricks of a demagogue. In the present case, however, they found unexpected support from the Centre Party, which produced a man very similar to their own type, Herr Brüning, and which, having elected him leader of the party, allowed him to stand as a candidate for the Chancellorship (which meant at least a temporary renunciation of the party's wish to have one of its members fill the post of Foreign Minister); in addition the Land League, the most powerful of the three great agrarian associations forming the so-called "Green Front,"[5] joined them in full force and in direct opposition to Dr. Hugenberg's express commands.


OPPOSITION
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CENTRE PARTY
DEMOCRATIC PARTY
SOCIAL DEMOCRATIC PARTY
OPPOSITION
BAVARIAN
GOVERNMENT
NEUTRALS

PARTY DIVISIONS OF THE REICHSTAG UNDER THE BRÜNING CABINET OF MARCH 30, 1930

The second diagram shows the new cabinet in a very precarious parliamentary position, but here again appearances are deceptive. The extreme Conservatives — to give them a name distinguishing them unmistakably from the moderate

[5] Green being the international as well as the domestic party color of the Agrarians.

Conservatives — could at any time bring about the defeat of the government in the Reichstag by voting for a Social Democratic–Communist vote of censure. They had their first opportunity of doing so when the new cabinet presented itself to the Reichstag on April 1, and the Social Democrats promptly asked for such a vote against it. Communists and Fascists (or National Socialists), of course, went into the same lobby with the Social Democrats. Herr Hugenberg, however, chose the better part of valor and abstained from joining the opposition. He knows that in a general election following the dissolution of the Reichstag his party would lose enormously to the Fascists, who are entirely irresponsible and have the support of a gutter press. This press, by far the worst in the world, is supported by the concern which has the lease to the bookstalls at all German railway stations, with the result that the news-stand sale of this kind of unspeakable filth is probably larger and certainly is more wide-spread than the sale of a great newspaper by subscription can be. The Social Democrats would probably lose votes to the Communists, too; but even this prospect of a reënforcement of the opposition for opposition's sake could hardly suffice to console the leader of a party that still calls itself conservative and claims to put the national interest above every other worldly consideration. The Hugenberg group's fear of a general election will greatly help the present government in its appointed task of carrying out a program of constitutional, social and financial reform which is bound to be damaging to a good many vested interests, notably those of the trade unions, and which may possibly put the loyalty of state officials to a new and severe test by demanding from them a *Notopfer* in the form of a temporary reduction of all salaries, without affording them any reduction in the general cost of living — a proceeding similar to the emergency measures taken in connection with the stabilization of the mark in 1924.

A still greater asset of the new government is President Hindenburg's evident desire to give it a real chance of carrying through the necessary reforms. A certain phrase of the President's message to the Chancellor was commonly used during the negotiations preceding the formation of the new cabinet, in regard to its independent position towards the parties. This phrase, "*ohne koalitionsmässige Bindung*," is very difficult for foreign students to appreciate in its true meaning. It does not mean exactly what it says. It is not the coalition of government parties as such to which objection is taken; such a coalition will be necessary, not only to secure a normal working majority in parliament, but also as an education in tolerance and coöperation. Nor does the President's phrase contain even the slightest hint of a wish to govern in opposition to, or without, the parliament. It certainly does mean, however, breaking away from a practice which had grown upon the late cabinet in its last two years of office: namely the practice of consulting the leaders of the coalition parties, and even taking a vote among the coalition parties themselves, as represented by their Reichstag deputies, before an important measure was finally adopted by the cabinet and laid before the Reichstag. Strong republicans have condemned this practice in no uncertain terms[6] because it tends to weaken the authority both of the government and of the Reichstag, besides making the public debates in parliament farcically unreal, the decisions all having been bargained for in secret. Party life will benefit by the new practice quite as much as the administration itself. There is more need than ever for the publicity of open discussion, because of the increased danger of misunderstanding and friction between old and young since the war removed so many of the men of the generation of 1880–1890.

All these difficulties may be said to be inherent in the parliamentary system; one could find many counterparts to the present crisis in Germany in other countries, as well as in the German past. But there is one feature which is peculiar to the German situation since 1927 or 1928. Of the 491 members of the Reichstag, about a fifth have been sent — or believe themselves to have been sent — to the Reichstag to obstruct parliamentary government by every means in their power whether fair or foul, to bring parliament into ridicule and disrepute, and, if possible, to create such disgust among the constitutionalists that they will despair of a system of popular representation which must include the wild men of the Communist Party and the swash-bucklers and mud-throwers of the National Socialist type. A vote of censure as such, whatever its reasons and irrespective of its reasonableness from any point of view, may count on eighty or ninety supporters in addition to those who vote for it on its merits. A similar state of things may have existed elsewhere and been overcome by the good sense of the great mass of the people. Under the Empire this game was tried by Poles, Alsace-Lorrainers and Guelphs, but they had much more reason, because their tactics were not directed against parliamentary government as such; they simply wished to show their unwillingness to belong to the Reich and to submit to a rule which they resented as the rule of a foreign people. The Communists — who exist elsewhere, though not in considerable numbers — claim also to be exempt from the rule of the Reich, belonging as they do to the super-state of the Third International. The peculiar difficulty of the present situation in Germany lies in the combined attacks of Communists and Fascists in parliament on parliament as such.

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[6] Cf. Leopold Schwarzschild in *Das Tagebuch*, April 5, 1930, p. 528.

It may be said that we have proportional representation to thank for this state of things, and it is certainly true that in single-member constituencies neither Communists nor Fascists could reasonably hope to obtain more than half a dozen out of the eighty seats they control in the present Reichstag, and out of the hundred they will probably obtain in the next. Whatever the reason for their number, the real question is: Can the parliamentary system tolerate these attacks from within? If not, how can they be prevented? Certainly not by simply asking that an oath of loyal service be sworn by every member before he takes his seat. The Communist Party dispenses with adherence to formal pledges of that kind, and the Fascists would simply say that an oath to serve the Jewish Republic can never bind a true follower of Wodan and a genuine descendant of Teut. They would have a more serious argument, too. Under the constitution, sovereignty rests with the people. Professors of constitutional law may tell us that "the people" here implies, not the individual voters, either singly or in groups or in masses, but an ideal entity of men, women and children living on and by their native soil and representing, not the present generation only, but past and future generations as well. But the voters and the members of parliament elected by them will, in spite of what the professors tell them, believe that they are the sovereign people, every single one of them. Moreover, they will believe that if they elect as their representative a man who has promised to destroy parliament as quickly as he can if he is elected, they can feel satisfied that they have used their sovereign power and are above criticism; and they would resent with genuine indignation any attempt on the part of other electors or of other members of parliament to safeguard the dignity of parliament and to save its very existence by excluding the deputies who made havoc with it.

Evidently this cannot go on for long. The parliamentary system must be based on the loyal service of the *pro tempore* minority members quite as much as on the zeal and administrative ability of the majority and the cabinet. Such loyalty is best secured where the minority can hope, by dint of sound criticism in parliamentary debate and by vigorously upholding the rights of parliament and of the electorate against bureaucratic rule, to win the favor of the voters at the next general election and to be called upon to form the government. In Germany this is attainable only by a drastic electoral reform, by returning to a system of single-member constituencies for the Reichstag and by keeping proportional representation, possibly, for an Upper House; because two chambers, representing the will of the people twice ascertained, give parliament a greater strength than can be derived from a single chamber.

Till then the parties which, under a normal state of things, would carry on parliamentary government between them as majority and minority — that is, the Moderate Conservative, People's Party, Centre, Democratic and Social Democratic — will be obliged to work through coalitions. These groups of neighbor parties will not be of sufficient strength to support a stable government against the combined attacks of the anti-constitutionalists. Events of the last few months have shown that coöperation, even at the cost of shelving part of the official program of one or more of the parties, proves comparatively easy in regard to questions of a political character, and becomes more difficult the farther one enters the domain of economics. Thus foreign policy, including the Dawes Plan and the Young Plan and, of course, the Kellogg Pact, enlists a majority which goes to pieces on the question whether the tax on beer is to be raised or how the surplus of rye is to be taken off the hands of the producers; and a coalition which had succeeded in uniting the Marxists and the Centre with most of the Liberals for the purpose of concluding a Concordat with the Holy See was wrecked by the impossibility of coming to an agreement on the question of covering the growing deficit of unemployment insurance.

That is another reason why the present government should bring to the forefront the questions of electoral reform and of the relations between the Reich and the states as soon as it has dealt with the most urgent needs of agriculture and national finance. Professor Pollock, in his study of the German party system, repeatedly notes the marked tendency of German parties to represent class or economic interests. There are other signs, however, which indicate that political parties are asserting their independence from economic forces. One of them is the indisputable fact that the personality of a leader or of a rival in the leadership of a great party has become of much greater importance during the past few years. Dr. Stresemann's death and the consequent return of Dr. Scholz to full leadership of the People's Party is a good instance; the conflict between Dr. Hugenberg and the young Conservatives is another; the position of the Prime Minister of Prussia, Herr Otto Braun, as the head of a coalition which promises to last while the corresponding coalition in the Reich has broken up, is a third. There is no cause for complaint in this fact. It will help to reëstablish the personal contact between the common citizen and the political organizations, some of which seem to have lost all human semblance. Such a contact is more than ever necessary at a time when big industrial concerns like the steel concern or the J. G. Farbengemeinschaft not only take a great interest in national politics (which in itself may be a good thing), but also regard themselves as governments of their own, more powerful and more efficient than the political government. If parties become again what they were and what they should be — that is, a means of keeping the citizen in direct and close touch with the commonwealth — a sensible nation will think several times before dispensing with them.

# NATIONALITY AND OTHER PROBLEMS DISCUSSED AT THE HAGUE

*By David Hunter Miller*

ONLY a few years ago a distinguished Senator wrote to the Secretary of State saying that he did not understand how it was possible for an individual to have the nationality of two countries at the same time. The letter was surprising only because of its source. Probably the percentage of people who have heard of the problem of dual nationality is a very small one. Yet it is true that many individuals at birth acquire the nationality of two countries, sometimes even of three, and it is possible to imagine a state of facts where the number would be four. It is also practicable for an individual having one nationality to acquire another without losing the first.

For example, a person born on United States soil is generally an American citizen, a "native-born citizen" as we say. Various other countries have the same rule. Under our law the child of American parents born abroad is an American citizen. Accordingly if a child is born to an American couple while they are visiting or residing in a country which, like our own, has the rule of *jus soli*, such a child has the nationality of that country and also of the United States. Similarly, if a French couple have a child born to them while they are visiting the United States that child is French under French law and American under our law.

Thus the fact of dual nationality at birth has its source in the nationality laws of various countries and not in international law; and furthermore the fact of dual nationality does not wholly arise, as is sometimes thought, from conflicting or divergent national laws. Clearly, if every country in the world had the same law on the subject as does the United States, there would still be very many cases of dual nationality at birth.

Again, it is quite possible for a child to be born without any nationality; and it is also possible for a person to lose his nationality without getting that of any other country and thus become what we call "stateless." For example, under our law, an American citizen who takes an oath of allegiance to a foreign country loses his American nationality. Accordingly an American citizen who enlists in a foreign army and takes an oath of allegiance without acquiring the nationality of the other country becomes stateless. There are many stateless persons. One fairly large class is composed of those wives of American citizens who on marriage lost their prior nationality because of the foreign law and who for one reason or another have not as yet acquired the nationality of this country.

Statelessness is generally recognized as an evil, but it is mostly an evil for the individual. A stateless person may find it very difficult or even impossible to get a passport or some equivalent document. But statelessness does not cause much trouble to foreign offices. In the very nature of things no government is obligated to afford diplomatic protection to a stateless person. Actually, if it happens that the stateless person is a highly undesirable individual and liable to deportation under the law, it may not be easy to find a way of carrying out the law in his case, for other countries may well regard him as undesirable too and refuse to admit him.

But problems of dual nationality cause a great deal of international discussion, as might be expected. When a person is a national of two countries, the law of each considers that his allegiance involves certain duties, and each country may consider that he is under its diplomatic protection if necessary. Thus an individual may be in one of his two countries and make some appeal to the government of the other; or he may be in a third country and find himself in difficulties with the government there. In any such case diplomatic correspondence is likely.

All the ramifications of the subject cannot be discussed here, but there is involved in the matter of nationality one major and well-established policy of the United States, namely our policy in favor of the right of expatriation. For a century and a half, the population of the United States has been very largely built up by immigrants from other countries. It has naturally been our policy to make citizens of these arrivals. No other policy was desirable or possible. In almost every country nationality may be acquired by naturalization, but the United States has naturalized more individuals and still does naturalize more individuals than all the other countries in the world put together.

According to our law a naturalized citizen must renounce his former allegiance; some other countries recognize this renunciation here, but others do not. If the naturalized American remains in our country no problem is apt to arise, but if he gets a passport (as he may) and goes back to his old home and is told that he must serve a year or two in the army there, the Department of State is pretty sure to have some news about him.

Congress has been very emphatic in the matter. The declaration of policy which was formulated in a statute of 1868 and which is still in force says among other things that: ". . . any declaration, instruction, opinion, order, or decision of any officer of the United States which denies, restricts, impairs, or questions the right of expatriation, is declared inconsistent with the fundamental principles of the Republic."

Nationality was one of the three subjects considered at The Hague by the recent Conference for the Codification of International Law. However extensive or however limited a meaning be given to the word "codification" it is obvious that any international act on the subject, whether it be called a code or treaty or convention or anything else, must be almost wholly a negotiated agreement. Only in a very minor degree would it be possible for any one to say that the terms of such a document were drawn from international law. They would on the contrary be an agreement for the future as to national laws and national policies.

And furthermore, while in respect of some of the perplexities of nationality it is possible to find a middle ground of compromise, this is not the case in so far as some national policies are concerned; and one of these, I think, is our own policy regarding the right of expatriation.

It is our policy that, when naturalization is granted in good faith to an individual here after five years of residence and the other usual requirements of the statute, the naturalized citizen owes allegiance to this Government and no other. Some countries, however, insist that their nationals when naturalized are still under the obligation of the original allegiance. The answer to the question presented must in any given case be either yes or no and nothing in between. It is clearly impossible for the policy of the United States in this regard to change. As a practical matter everyone knows that Congress would not even consider such a change and there is no reason why such a change should be considered.

The discussions on nationality at The Hague were bound to involve and did involve this matter of expatriation and the nationality of naturalized citizens. As was to be expected, various countries found it impossible to accede to the United States' position, although, in some cases at least, the reasons arose less from considerations as to the effect of naturalization in this country than to its effect elsewhere. At a comparatively early stage of the proceedings our delegation formally declared that they would not "sign any convention in which there is any clause whatever which could be construed to qualify or limit this declared policy of the United States of America regarding the right of expatriation." There are such clauses in the convention that was drawn up by the Conference, and the United States did not sign it.

Another problem of nationality is the problem of the nationality of married women. The discussions on this point, of course, attracted more attention and received more publicity here than all the other proceedings of The Hague Conference taken together. The legislative policy of the United States has tended toward the abolition in matters of nationality of any distinction based on sex. The Cable Act of 1922 went a long way in this regard and legislation during the present Congress will probably go still farther. There is even pending a proposal formally to declare sex equality in matters of nationality as the policy of the United States. A general formula in the same sense was brought forward at The Hague Conference by the delegation of Chile.

Of course, no one ever seriously supposed that such a formula would be accepted by the forty-seven countries which sent delegates to The Hague Conference. A majority, probably quite a large majority, of the countries were opposed to it. Any question of the rights of married women in a particular country is not only political but social, economic and religious. In many countries women do not vote. In sharp contrast with views prevalent here, various governments believe that the unity of the family is part of the foundation of national life; and in some countries, as various speakers at The Hague were careful to point out, there is no such thing as divorce. To some delegates, indeed, the very idea that a man and his wife could or should be of different nationalities was not only unacceptable but abhorrent.

Under such conditions it must be considered that the Conference went pretty far in recommending to the governments "the study of the question whether it would not be possible to introduce into their law the principle of equality of the sexes in matters of nationality, taking particularly into consideration the interests of the children." The language quoted was substantially that proposed by the American delegation.

Something should be said about this question of the nationality of children, which is involved in the application of the principle of sex equality in nationality. The nationality of children is far from unimportant. Children who travel have to have passports. In various countries boys of eighteen are liable to military service and indeed eighteen was our age under the draft. We do not regard minors as legally capable of making a choice as to nationality, although to some extent we permit their parents to choose for them. Under our law generally the children of an American father who are born abroad are American citizens. When both parents are of the same nationality, there is no difficulty so far as the principle of the equality of sex is concerned. But when, as is now frequently the case, the two parents are nationals of different countries, an extension of the statute so as to include either parent would bring some very curious results, and if other countries followed with similar laws the consequences would seem to us still more curious.

For example, suppose (a most improbable supposition) that Italy had such a statute. Then suppose that an Italian girl marries an American and the couple make their home in Indiana. The wife for some reason does not choose to give up her Italian nationality which under the supposed Italian statute she may retain. Then her children born in Indiana, native-born American citizens, eligible for the Presidency, would also be Italian subjects. Such a possibility, however improbable, causes one to think, and is also an illustration of the perplexity of the whole question of nationality. Dual nationality and statelessness are considered by almost everyone to be evils which should so far as possible be done away with, but changes in the law of nationality which seem reasonable at first glance may easily increase the number of cases of dual nationality instead of reducing them.

In our law we limit very strictly the acquisition of American nationality by children born abroad to those whose fathers have resided in the United States. It is possible to visualize such acquisition of nationality by descent as continuing from generation to generation. Indeed some countries do, but the consequences may become fantastic. A story was told at The Hague of a young man who was required to serve in the army of a certain country which he visited, because his family tree had started in that country and despite the fact that none of his ancestors for a thousand years back had lived there.

It is easier to picture the difficulties, national and international, which surround this question of nationality than it is to offer a solution of them all; but the debates and documents of The Hague Conference will be very helpful in the progress toward a solution. The nationality laws of various countries are to a considerable extent based upon different social and economic conditions. If The Hague Conference had merely led to a clearer understanding of the problem it would have been well worth while; but it adopted a convention which has in it features of real value, and while the United States did not sign that treaty, the objections of our Government to it were to some extent based on the fact that it does not go sufficiently far. It may well prove to be the beginning of a more progressive agreement; and it should also be mentioned that in a separate document, called a protocol, the Conference drew up clauses quite in line with our policy regarding liability to military service; the question of signing this agreement is awaiting consideration by our Government.

For some time past there has been a great deal of sentiment in the United States in favor of the codification of international law generally. Those who have discussed the matter pro and con have not always been in accord as to precisely what was intended by such codification, but the idea of the statement or restatement of international law on certain subjects or even on all subjects is one which has had a great deal of appeal here. This sort of codification has some peculiar difficulties. A legislature may make a code and change it next year, as indeed our legislatures often do. Any international code, however, must be reached by international agreement, for there is no legislature to write or to approve it. It must be subject to change by a later agreement, for any code must have its chance of growth or improvement, however limited its field may be; and the more extensive the field attempted internationally, the more difficult and the more slow must be the reaching of a result.

At The Hague Conference, which lasted for a month, three subjects were on the agenda, after very elaborate preparation. One of these, as has been mentioned, was nationality; the others were territorial waters, and the responsibility of states for damage caused in their territory to the person or property of foreigners.

I myself think that the program was too extensive. There are physical difficulties in the way of considering three such subjects at one conference. Like almost every other kind of a gathering, an international conference works in committees, and three committee meetings a day are too many even for delegations of several members. There is almost no time left for the necessary discussions and consideration outside of the meetings proper. Indeed each one of the three subjects considered at The Hague is of itself of sufficient importance for a conference devoted to it alone.

For any coastal state a general agreement regarding territorial waters, their extent and the régime relating to them is a major problem. To the United States the problem involves the sea frontier of thousands of miles along the Atlantic, the Pacific and the Gulf of Mexico, to say nothing of Alaska, the Philippines and our other possessions. Furthermore, the problem has a dual aspect, for any general agreement regarding the régime of territorial waters involves also the treatment of our ships in coastal waters the world over. Beyond all that, in any such agreement one must think of the question of neutrality in time of war; for even if the agreement is limited to time of peace, it would still define the sea frontier which would be constant.

The position of the United States regarding the extent of the territorial sea is well known. In various recent treaties this Government has declared its intention to support the three-mile limit and, indeed, that has been our position from a very early date in our history. At The Hague quite a number of countries supported proposals for a different width of the zone. Norway and Sweden maintained their special position in favor of four miles and quite a number of countries, including most of those on the Mediterranean, declared for six miles. There is, however, a good deal more to the question of the width of the zone than its extent stated in terms of nautical miles. The rights of the coastal states on the one hand and the right of free navigation on the other are not determined even when one has drawn on a chart a line running along the coast and has had it agreed upon as the territorial limit. Admittedly there are some things which the coastal state refrains generally from doing in the territorial sea regardless of the law on the matter; and admittedly there are some things which the coastal state customarily does and even may do legally outside the territorial zone. The most common instance, perhaps, is when a fishing boat remains outside the limit but sends its small boats inside. The right in such a case to enforce the law against fishing is not limited to the small boats, but extends to the ship proper.

At The Hague the different views as to the extent of the territorial sea and as to the rights which might be exercised outside it either in a contiguous zone, as the French Government proposed, or otherwise, prevented the reaching of a general agreement. No convention was drawn up, although certain clauses were drafted as a basis for a later agreement for the régime of the territorial sea without attempting to state its extent.

But it would be difficult, I think, to overstate the value of the discussions of The Hague Conference regarding territorial waters. Particularly is this true in regard to the technical and geographical questions considered, which were very numerous. The committees included naval officers and scientists of distinction of Europe, Asia and America, and the meetings at times were somewhat like those held in a university, as the speakers were often in the habit of illustrating their remarks on a blackboard. Geography at times seemed more important than law. Is an isolated rock, although above water at any tide, to be regarded as an island? How about a long sand bank which may be covered at high tide but which for some hours of the day may be a perfect landing place for airplanes? If separate rules be drawn up for islands and straits, which set applies in the case of an island in a strait or in the case of a strait between two islands? Is there any different rule for islands in groups and if so just what is a group of islands, how many of them, how near each other? Can there be a single definition of low water mark, when as a matter of fact it is differently charted in different parts of the world — on the Atlantic and Pacific coasts of our own country, for example?

These and many other questions were discussed by men who knew about them because they had sailed over the waters about which they talked, and who carried on their discussions from the point of view of mariners. Certainly on some of these technical points there was scientific progress; and perhaps it is not too much to say it was generally recognized that one of the real contributions was that proposed by the experts of the United States in a formula for defining a bay so as to distinguish it mathematically and geographically from a mere indentation or sinuosity of the coast line.

The third question which the Conference discussed was that of the responsibility of states. And here, perhaps, the political difficulties were the greatest of all. Curiously enough, it is a question upon which there is already an abundance of international law. There have been hundreds of decisions of international tribunals as to the responsibility of states towards foreigners in particular circumstances. Many writers have learnedly discussed the subject and there are thousands of diplomatic notes upon it. Still, at The Hague there turned out to be no possibility of a convention and no possibility of even a draft. No clauses at all were accepted in the committee. After the preliminary discussions some clauses were tentatively agreed upon in committee, but when it became obvious that they were unacceptable to many of the states represented at the Conference they were abandoned.

The two points of view that were represented have a political and economic background. Most countries, including all the Great Powers represented at the Conference and various others, took the position that there is an international standard of responsibility toward aliens, a standard laid down by international law and in the main capable of fairly precise statement. Another group of countries, including those of Latin America, the Little Entente, China and some others, do not admit this or at least only with such qualifications as would, in the other view, amount to a negation of the principle. Indeed, the extreme opinion was brought forward that a state has no duty toward a foreigner except its practice toward a national and that accordingly an alien who enters a country takes the same chances regarding the political, financial and social conditions of the land as he does about the weather. He is supposed to know about them in advance and if he does not like them, just as if he does not like the climate, he might better stay away. So the question of responsibility of states was left by the Conference where it now is — in the field of existing international law according to the views of many countries, and to the law of the future according to the views of the others.

The program of the Conference at The Hague was an ambitious one. The results reached were less than those expected in many quarters and as a not unnatural consequence there has been a certain amount of disappointment. It may none the less be said that the Conference was of very real value and that on detailed examination the results reached will be found to be of great importance for the future. The foundation has been laid for the continuance of the movement for the codification of international law. This Conference at The Hague will be known in history as the first codification conference.

# BELGIUM'S LANGUAGE QUESTION: FRENCH VS. FLEMISH

*By Louis Pierard*

THE moment the Belgian Parliament opened last November, the dangerous and complicated language question provoked a new ministerial overturn; and a crisis has been latent ever since. The November crisis was solved by the resignation of the Jaspar cabinet and its reconstitution in slightly different form. But debates in the parliament and editorials in the press made it clear from the start that this third Jaspar government, Catholic–Liberal like the ones before it, could look forward to only a very precarious existence, for Liberal support of the coalition is based on clearly defined reservations.

Pessimists are inclined to view the situation with alarm. It was Belgium's hope that this year's celebrations of the centenary of her revolution and her attainment of national independence might be carried on in a spirit of domestic concord. But if a new crisis should occur the only way out would seem to be dissolution of the Chamber and a general election. I do not believe this will happen. On more than one occasion since 1914 the Belgians have shown a capacity for concluding political armistices at critical junctures, and so we have every reason to expect that the centenary rejoicings are not going to be disturbed. It is none the less true that the time has come to put an end once and for all to the rivalries between Flemish and French, and to settle a question which has been poisoning the atmosphere of Belgium for a generation, complicating the political machinery of the country and rendering the formation of stable majorities and homogeneous ministries all but impossible.

The political world in Belgium presents vertical and horizontal divisions similar to those in German industry — vertically, three great parties, Catholic, Liberal, and Socialist; horizontally, each party divided internally by antagonisms between Flemings and anti-Flemings, between defenders of what is Flemish and defenders of what is French. It is encouraging that a certain softening of animosities is to be noted recently inside the ranks of the powerful Socialist opposition. Since the elections of May 1929 this party has been making strenuous efforts to bring its Walloon and Fleming members to some sort of a compromise, if not to a permanent understanding; and in this it seems to have been successful. This achievement by one of our great political organizations is, I believe, a harbinger of something similar which is to take place in the Belgian people at large. Unless I am gravely mistaken, we shall witness in the next year or so the final convulsions of this bitter and futile controversy, and before long it will seem incomprehensible that such a question should ever have been able to divide fellow-citizens of undoubted intelligence and good faith. In fact, Belgium is on the way to working out the solution of the problem by a general overhauling of the laws governing her schools, her courts, her public administration, and her army — a solution based on a wise decentralization, allowing much greater autonomy to each of the great regions that make up her territory. In this way the national motto "Union is Strength" will become a reality. Union, but not necessarily unity! Geneva speaks French, Zurich German, Locarno Italian — yet the citizens of these towns are all Swiss. Similarly, a workman in Bruges speaks Flemish, a merchant in Liège speaks French, a peasant near Arlon uses a German dialect. But they are all Belgians.

## II

The present Minister of Transport in Belgium, M. Lippens, not long ago published a book called "Words from the Beyond," written by his brother, Paul Lippens, who was killed on the Yser in 1915. "If we would do our best for Belgium," urged this young business man, himself of Flemish origin, "let us accustom ourselves to thinking of her as she actually is. We must get used to the idea that Belgium is not a homogeneous country, that Providence has bestowed on her, as on many other nations which are larger and perhaps more prosperous, a number of different races. Our governments have not always been reconciled to that idea; or rather, they have sometimes thought it in their power to become a second Providence destined to correct the mistakes of the first." And he went on to emphasize the impassioned character of our linguistic battles, in which, as in the battles of Homer, we insult each other instead of really fighting. There is, indeed, a linguistic mysticism which, like religious mysticism, easily turns to fanaticism, so that sentimental considerations are able to gain the upper hand over considerations of fact and good sense.

The Flemish movement, or to give it its actual designation, "Flamingantism," is a part of that political trend which was in operation throughout the nineteenth century and which culminated in the treaties of peace after the World War. That trend developed in two noteworthy directions: toward an extension of democracy and universal suffrage, and toward a more and more general recognition of the autonomy or the complete independence of nationalities. Irish Home Rule and the liberation of the Czechs and Slovaks by the dismemberment of the Austro-Hungarian Empire are two conspicuous examples. By virtue of what we may call the "policy of nationalities" we have witnessed a curious self-assertion on the part of a number of "local" languages — Lithuanian, for example, which till quite lately was spoken only by a few aged peasants on the outskirts of Kovno and Vilna. A Lithuanian diplomat confessed to me in 1921, "I do not know my mother tongue!" But this is no more astonishing than the revival in Zionist Palestine of Hebrew, which had been regarded as completely dead. In Jerusalem, one evening, I heard Rossini's "Barber of Seville" sung in Hebrew!

It is true that Flemish is spoken by only some three and a half million people, who beyond their own frontiers would at best be understood by not more than six million Hollanders. It is none the less dearly prized by those who do speak it. In the nineteenth century, moreover, there was a magnificent revival of letters in Flanders; and it is still going on, counting among its adherents many original writers both in verse and in prose. In view of that, prophecies like those of M. Pierre Forthomme in a Belgian magazine seem academic.[1] He wrote:

> The absurdity of multiple languages will eventually impress everyone, and the renaissance of so many tongues will produce its reaction sooner than people think. All we need for that is the development of some incident serious enough to emphasize the insurmountable incompatibility of linguistic sophistries with the rapid and complex progress of the world today. At a time when people can encircle the earth in a week's time, will they still talk Finnish or Basque? We may need the United States of Europe, some day. But just try to organize it with a hundred and twenty languages on your hands!
>
> Wherever the language prejudice has asserted itself, it will eventually be discarded. People will see that they have erred on the side of exaggeration. Language is not race; it does not make a nation; it is only one of numberless factors in culture. The human being does not live by language, and he may change languages without damage to his mental or spiritual development. Of unquestioned value to literature, diversity of language is of little or no utility to the other arts and sciences — is more often, indeed, a source of difficulty and harm. Only a strong and universal prejudice, sustained by ignorance

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[1] "Le Préjuge des Langues," in *Le Flambeau*, November 1929.

> and passion, has been able to enshrine languages in human hearts and give them prerogatives they cannot rightfully claim.
>
> The world is destined some day to use only one language; it may be English, or some other modern language, or even a language manufactured out of whole cloth. This is the logical trend of modern life. It is the solution indicated by good sense. Whether we like it or not, what is reasonable finally has its way in this world.

Some weeks after penning these lines, M. Forthomme joined the third Jaspar government, which promised substantial concessions to the Flemings, notably the transformation of the University of Ghent, lately entirely French, into a university where all lectures would be given in Flemish.

## III

The population of Belgium is about eight millions, made up of four million Flemings in the north, three million French-speaking Walloons in the south, and about a million in central Belgium, around Brussels, who speak both Flemish and French. Brussels, in fact, is our melting-pot where, the wags say, French and Flemish are equally badly spoken. The great majority of the Flemings speak only Flemish. What complicates the problem is that in Flanders a minority of the population, estimated at between five hundred and eight hundred thousand, speak French and are devotedly attached to that language.

The situation has been much the same for centuries. French used to be spoken at Bruges, at the court of the Counts of Flanders and the Dukes of Burgundy. French has remained the language of the aristocracy, of the upper and lower bourgeoisie, and, down to recent times, of the intellectual classes. Flemish, on the other hand, has suffered a real literary decadence since the seventeenth century. In the sixth volume of his monumental "Histoire de Belgique," M. Henri Pirenne recapitulates the history of the two languages and the two cultures on Belgian territory as follows:

> As early as the twelfth century French gained a foothold in the Flemish provinces, where it had become a sort of second national language to the upper classes. The growth of French was in no wise injurious to Flemish culture. Two literatures flourished side by side, the one Romance, the other Germanic, so long as the national civilization itself remained strong and healthy. But the religious wars of the sixteenth century and the dismemberment of the Netherlands brought about a decadence, from which the Flemish language suffered especially. Flemish, in fact, fell to the status of a provincial dialect, because the Catholic clergy, in order to prevent any infiltration of the heresies tri-

umphant in Holland, was careful to break off such intellectual communications as Belgium might have maintained with her Protestant neighbor. Henceforth Flemish was only an instrument for *not* communicating with the outside world. Not only did Flemish not participate in the vigorous blossoming of Dutch literature in the seventeenth century, but it shrank back into an isolation which ended by so differentiating its dialects from the Dutch idiom as to give it the appearance of a language peculiar to Belgium. The French conquest only accentuated these misfortunes. Banished from public administration and from the schools, regarded with suspicion by the authorities, disdained even by those who continued, for lack of anything better, to use it, Flemish appeared, at the beginning of the nineteenth century, as a simple patois, the days of which were numbered.

Action and reaction, flux and reflux — such is the history of the two languages in Belgium since those days! Under French control, from the victory at Jemmapes in 1792 to Napoleon's defeat at Waterloo in 1815, the Commissaires of the Convention and the Prefects of the Empire made war on Flemish just as, in France, they made war on all forms of patois. But at the Congress of Vienna the victorious Allies created the Kingdom of the Low Countries as a bulwark against France. Theoretically, this union of Belgium and Holland should have contained some elements of prosperity. From the economic point of view the two countries did, in fact, make a magnificent combination. It was during the period between 1815 and 1830 that the provinces of the south saw the first blooming of their now gigantic industrial activity.

But the amalgamation was forced too rapidly. The Dutch and the Belgians were quite different in many respects. "Starting from the same point," writes M. Pirenne, "the two peoples had gradually drawn apart. They no longer had anything in common. Abruptly pushed together after such a long separation, they surveyed each other without signs of recognition, and with a mistrust only too easy to understand." The contrast between them came into the open in the States General: "Belgian talkativeness and freedom of manner were in contrast with the reserve, the phlegm, the earnestness of their new fellow-countrymen." One might have thought that a common speech would come to constitute a bond of sympathy between the Flemings and the Dutch. But religious differences outweighed that factor. The strong Catholicism of the Flemings was not to the liking of the Dutch Protestants; furthermore, opposition to the constitution promulgated by William I, which recognized religious liberty, was more vigorous in Flanders than in Wallonia.

The language question played only a minor rôle in precipitating the Revolution of 1830. But it was nevertheless a factor. If William did nothing to combat the popular prestige of French in Belgium, he nevertheless insisted that the official language in Flanders and at Brussels should be Dutch, and therefore Flemish.

After the Revolution of September 1830, after the inevitable separation of Belgium and Holland, fresh attempts were made to Gallicize the whole population. They lasted thirty years. The leaders of the Revolution, some of whom were of French birth, worked on the theory that the French language might become a strong bond of national unity between all Belgians. Until 1894 only such citizens as paid taxes to a certain amount had the right to vote. This meant that in Flanders only the aristocracy and the bourgeoisie, which were both of French culture, participated in elections; the Flemish-speaking artisans and peasants had no voice at court. Nevertheless, toward the middle of the nineteenth century the Flemings began to be self-conscious. Their literary men at first led the movement. A measure permitting the use of Flemish in the courts became law in 1873. In proportion as the suffrage was extended (in 1893, universal suffrage, but with property limitations; in 1919, universal suffrage pure and simple), the Flemings obtained greater concessions in education, in the courts, in the army, and in public administration.

But successive Belgian governments, having first slipped into the error of Gallicization, now headed toward another error: the error of bilingualism, which consisted in requiring all Belgians exercising any sort of public function to know thoroughly both French and Flemish. The law of 1921 regulating the use of languages in public services reflects this tendency very strongly, and it provoked a reaction which might have been expected; for if it partly satisfied the Flemings, it dissatisfied the Walloons just as much. And yet both these attempts at solution, with their consequent errors, were probably necessary if all thinking Belgians, all Belgians not blinded by local patriotism, were to be brought to see the need of a third solution: namely, the regional solution, based on the autonomy of Flanders and of Wallonia.

## IV

During their war-time occupation of Belgium the Germans tried to intensify the language quarrel as a means of furthering their imperialistic policies. To accentuate animosities between

Flemings and Walloons they instituted separate governments for the two populations and made the University of Ghent exclusively Flemish. The Belgians straightway rebaptized it "von Bissing University."

This German effort proved fruitless. The great majority of the Belgians — Flemings no less than Walloons — drew back in sullen resistance to the invader, a passive resistance of silent contempt. Despite certain post-war incidents, and despite the resumption of domestic rivalries, it may be said that on the whole Belgium has behaved very well. Her baptism of blood had shown her that she was truly a nation and not just a device of diplomacy. "What is a nation?" Ernest Renan had asked just after the War of 1870. And he answered that a nation is not constituted by unity of language or race, at least not by those things alone. Doubtless he was thinking of Alsace and Lorraine, which France had just lost; and he might have added that numbers of Frenchmen speak Breton or Basque or Flemish, which are more than mere dialects. "To have done great things together," said Renan, "to desire to share in further great achievements — these are the essentials for the existence of a people as a people." And again he says: "To have suffered and hoped together is something more important than common customs houses and strategic frontiers."

Who can doubt that these conditions are fulfilled in Belgium? When the Germans invaded that country in 1914 they did not at first make any distinction between Flanders and Wallonia. The torture of Dinant went hand in hand with the tragedy of Louvain. Walloons and Flemings fought and died together. And even later, when the Germans ordered the deportations of workingmen, they began at Sveveghem in Flanders and at Lesines in Wallonia. But the test of the war was not needed to prove Belgium's right to exist as an independent nation. Between Flanders (an agricultural country, along with its harbors and its looms) and Wallonia (with its mines, its railroads, its glass works, its foundries and its forests) there are very powerful economic bonds. Antwerp is the outlet for the valleys of the Meuse and the Sambre, and the port for Liège and Charleroi, just as well as for all Flanders. The Belgian provinces supplement one another.

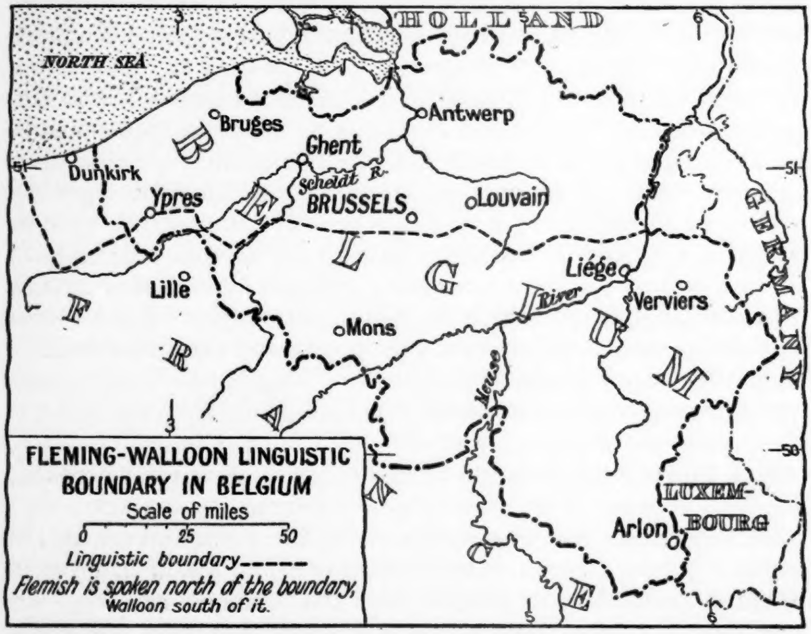
I will go even further: I believe that Flemings and Walloons have certain political traits in common — love of self-government, a sense of municipal and provincial autonomy, a mistrust of centralized power. Both peoples are proud possessors of the same taste for organization. There is a saying to the effect that when three Belgians, be they Flemings or Walloons, happen to meet, they found a society. Another trait which Flemings and Walloons have in common is a certain flair for living, a strange frenzy whether in work or in play. The Belgian is a working animal, but he also enjoys a good time. The two things are not incompatible.

Now what are the differences that separate the two kinds of Belgians? They are many and great. Belgium is a country of two populations — even, one might say, of two nationalities. M. Henri Pirenne himself admitted as much in a lecture he delivered at Liège in 1905. "Walloon national feeling and Flemish national feeling both exist undoubtedly beneath the surface of the common culture which we have seen developing in the various spheres of our social and political life. That common civilization rests on two other, and very different, civilizations: a Walloon national consciousness and a Flemish national consciousness." And this takes no account of the 90,000 Belgians of German language living not only in the former *Kreise* of Malmedy, Eupen and Saint Ville (transferred to Belgium by the Treaty of Versailles), but also in parts of old Belgium herself — namely in certain villages near Arlon, Bastogne and Verviers.

## V

The frontier between the Flemings and the French has not changed since the fifth century. It was long believed to correspond to the old boundaries of the Flemish forest. Others regard it as a trace of some ancient Roman highway or line of fortresses. It runs from Mousson, just south of Ypres, to Visé, just north of Liège, passing south of Brussels, through the village of Waterloo. Flemish is spoken north of that line, Walloon south of it. Flemish is a dialect, or rather a group of dialects, related to Dutch, which is the literary form of the speech. Walloon is a combination of ancient Romance dialects — many of them older than French — and is the written language of the Walloon population.

In his excellent book on "The Government and Politics of Belgium," Professor Thomas Harrison Reed, of the University of Michigan, characterizes the language frontier in Belgium as follows: "Though this boundary line preserves very rigorously its generally east and west direction, it is locally irregular enough, usually meandering about the villages but at times running down the centre of a street. It has suffered no material change for centuries. French villages have confronted Flemish villages, the Flemish side of the street the French side, time out of mind, without one tongue gaining on the other and without any tendency toward the formation of a common speech." There are small minorities of Flemish workmen in Wallonia, near Charleroi, Liège and La Louvière. But the Flemings, curiously enough, generally speak either French or the Walloon dialect of the natives among whom they have settled. Similarly, the thousands of Flemish miners who travel daily from their Flemish homes to the mining districts of the Hainault or of Liège speak the Walloon dialect of these districts.


FLEMING-WALLOON LINGUISTIC BOUNDARY IN BELGIUM

HOLLAND
NORTH SEA
Bruges
Antwerp
Ghent
Dunkirk
Ypres
Scheldt R.
BRUSSELS
Louvain
BELGIUM
GERMANY
Liége
Lille
FRANCE
Verviers
River
Mons
Meuse
LUXEMBOURG
Arlon
3
6
51
50
5
Scale of miles
0
25
50
Linguistic boundary
Flemish is spoken north of the boundary, Walloon south of it.

Since, as I have explained, alongside of the mass of artisans and peasants who speak only Flemish there are the richer classes who are French by culture and in some cases do not even know the language of the people, the problem arises not altogether between Flemings and Walloons, but also between Flemings and Flemings. The French minority in Flanders claims the right to be educated and governed in French, and the higher clergy support them. On the other hand, the lower clergy, the priests and vicars of the villages, stand with the peasants and workers who demand "*in Vlaanderen vlaamsch*" — "Flemish in Flanders."

The general tendency of the central government for some years has been to require all who aspire to posts in public administration to have a knowledge of the two languages. By the law of 1928 soldiers are recruited along regional lines and serve in their native provinces. Companies are now either all Flemish or all Walloon, whereas formerly they were mixed. Nevertheless officers must still know the two languages and know them well. In primary and secondary education French is naturally the language medium in Wallonia. Flemish is obligatory as a second language in the high schools, and the pupils have then the right to choose between English and German. In Flanders, Flemish is the language medium, and French is taught as a second required subject. Walloon parents object to this scheme, and hold that their children should be taught, not a language of such scant general utility as Flemish, but a language of world importance such as English, German or Spanish. In Flemish territory parents of French culture ask for a free choice between Flemish and French as a first language, to which the *Flamingants* reply: "But we must not allow a rift to open between the people and the intellectuals!" And they insist on the right of every Fleming to be governed, judged, taught and commanded in Flemish in his own country. But under the momentum of the trend toward decentralization, which I have described, the Flemings are limiting their demands to the "linguistic unity" of Flanders proper. Accordingly, they have demanded that Ghent, one of the two state universities, be made a purely Flemish school, where teaching would be given in Flemish instead of in French. But the students at Ghent are not only Belgians (Walloons or Flemings) but also foreigners. Therefore it was proposed that a new university be created in Antwerp, where the Flemish ideal would be fulfilled; but the offer was rejected, the Flemish party demanding "Ghent or nothing."

After a desperate fight in the country and in Parliament, a solution proposed by Mr. Nolf, the head of the Department of Education, became law in 1924. The curriculum at the University of Ghent was planned in such a way that Flemish-speaking students must take a third of their work in French and French-speaking students a third of theirs in Flemish. This is a solution in the bilingual mood and, as I have said already, bilingualism is generally the principle and tendency of the central government and it gives satisfaction neither to the Flemish extremists nor to the Walloons and French-speaking bourgeois of Flanders. The Nolf system was a failure. Flemish students boycotted the new university. Recently the Jaspar government introduced a bill making Ghent University completely Flemish, and it has just been passed by Parliament.

Yet, strange to say, there is nowadays but one cry in both camps, that the solution be immediate and complete. Thus, in primary and high schools, guarantees are asked for French minorities in Flanders and Flemish minorities in the Walloon provinces; while, as regards administration, Walloons in the public service claim a right to live their whole lives in the central offices at Brussels without knowing Flemish — and this, of course, would be possible only by dividing all governmental and public bureaus into two parallel branches. Other delicate situations also arise. What shall be done about private or "free" schools, which are predominantly Catholic and vie with the public institutes in the patronage they attract? "Immediate and complete!" A thing easily said, but not so easily done!

Certain extremists are talking of dismembering Belgium and annexing Flanders to Holland: after Pan-Germanism, Pan-Hollanderism! Others speak of uniting Wallonia with France. These are childish vagaries hardly worth discussing. But in both camps in Belgium there is an increasing tendency to find some general solution along the lines of a federalistic reorganization of the state. Without going quite so far as the Swiss system, it might indeed be possible to satisfy everybody by increasing the local autonomy of the nine Belgian provinces.

Walloons and Flemings should and can come to an understanding. They have been condemned by history, by geography, by economic interest, by a host of sacred memories, to live together. Their country lies at the crossroads of several great civilizations — "between ardent France and earnest Germany," as Emile Verhaeren put it. For centuries one of the battlefields of Europe, Belgium can today fulfill a great rôle in history, in spite of wounds not yet entirely healed. She should be a connecting link between Latin, Germanic, and Anglo-Saxon cultures. Glance at the map. Belgium is a corridor, a zone of traffic and transit. This is certainly true as far as merchandise is concerned; it can be true as regards ideas also.

# SOVIET TRANSPORT PLANS: WINNING THE EAST

### *By Bruce C. Hopper*

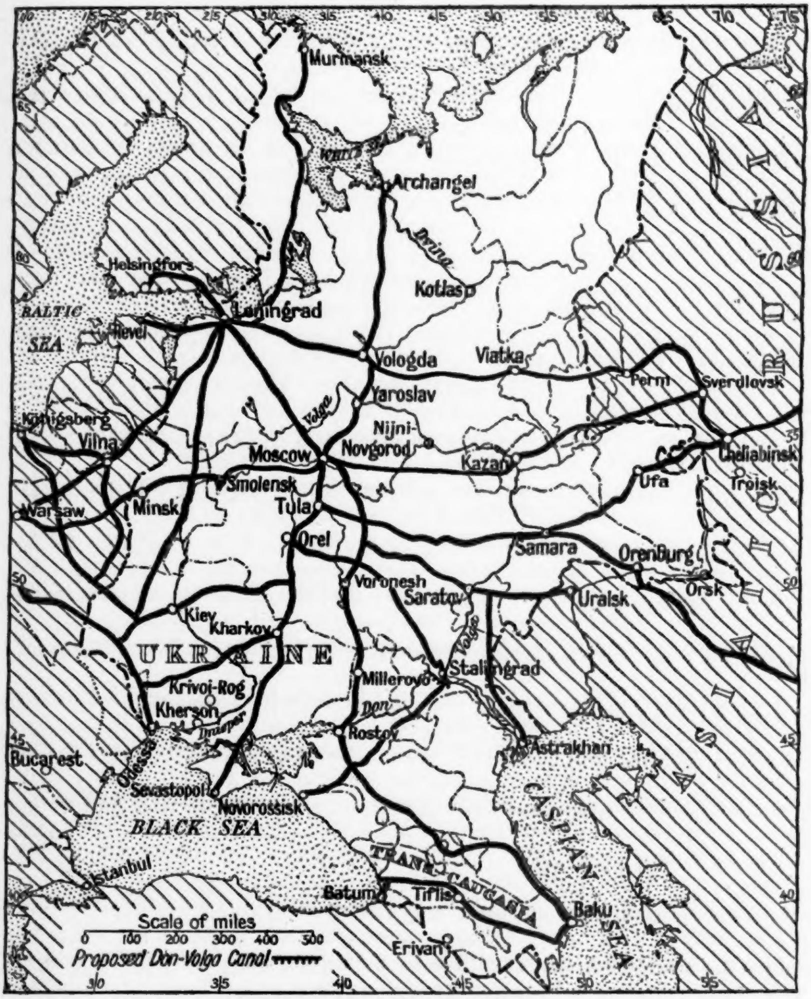
AS in the past, Russia still is protected from foreign interference by the immense distances of the Eurasian plain, which extends from the Baltic almost to the Pacific, and from the Arctic to the southern seas and the mountain wall of middle Asia. And these same factors still, as in the past, hold back her social and economic development.

The various regions of that vast domain are peculiarly interdependent, yet their products circulate with the greatest difficulty. The food surplus is concentrated in the producing areas of the south and in Siberia; the available timber and manufactured goods are in the consuming areas of the centre and north; the oil is in the Caspian area; and the minerals are in southwestern Ukraine, the Urals, and Central Asia. The arteries for the interchange of these products over the vast distances involved consist of ancient "water roads," an inadequate railway system, and wagon roads belonging to the dark ages.

The natural difficulties in year-round transport are enormous. Most of the river ports are frozen over from four to six months of the year. The water levels are very irregular; spring floods, followed in turn by summer droughts, shift the innumerable sand bars and increase the hazards of navigation. Road-building is particularly arduous because of the frozen subsoil, and that because stone and gravel are very scarce in most regions. It often happens, too, when a railroad is built the terrific heat of summer, especially in the southeast and in Central Asia, makes expansion of the rails and other *matériel* a troublesome problem. These factors contribute to the high cost of road-building, and partially explain Russia's historic inadequacy in transport facilities. The result is that calamities are always on a large scale in Russia. The most recent example was the rotting of grain under the open sky along the Trans-Siberian Railroad while the population of European Russia was reduced to ration cards.

Failure to provide sufficient means for the conquest of Russia's vast barriers of distance is now recognized as a costly miscalculation of the Five Year Plan. Industrial production is mounting steadily at the rate of 25 percent a year, but the facilities for distributing it have not kept the same pace. The first serious tie-up occurred this last winter when the railroads could meet only one-third of the demand for trains to move the crop and to keep industry supplied with raw materials. The problem was intensified by the rapid socialization of the land in January and February, when nearly one-half of the total sown area was collectivized. This transformation of agriculture increases the burden on the transport facilities more rapidly than was anticipated in the Five Year Plan. The new collective farms, to be successful, must be quickly supplied with machinery, fertilizer, seed, and the other means of production which were held out as inducements to the peasants who joined them.

In this light the so-called "socialist front" appears not unlike a fighting army which has advanced too fast for its wagon train. The Soviet Government


Murmansk
WHITE SEA
Archangel
Dvina
Kotlas
Helsingfors
BALTIC SEA
Reval
Leningrad
Vologda
Viatka
Perm
Sverdlovsk
Yaroslav
Volga
Königsberg
Vilna
Nijni-Novgorod
Moscow
Kazan
Cheliabinsk
Troisk
Ufa
Smolensk
Warsaw
Minsk
Tula
Orel
Samara
Orenburg
Orsk
Voronesh
Saratov
Uralsk
Kiev
Kharkov
UKRAINE
Stalingrad
Millerovo
Krivoi-Rog
Kherson
Don
Dnieper
Rostov
Astrakhan
Bucarest
Odessa
Sevastopol
Novorossisk
BLACK SEA
CASPIAN SEA
TRANS-CAUCASIA
Istanbul
Batum
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Baku
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ASIATIC RUSSIA
Scale of miles
0 100 200 300 400 500
Proposed Don-Volga Canal

RAILROADS IN EUROPEAN RUSSIA

The proposed trunk line from Troisk in Asiatic Russia to the Black Sea port of Rostov will make use of existing railroad lines.

has accordingly shifted the focus of its attention to the compelling problem of bringing up the rear. The production part of the Five Year Plan is expected to be realized in four years; the transport part of it is now scheduled for completion in three years. Meanwhile, a fifteen-year program in transport is under consideration, involving a capital investment of 18 billion rubles on railroads, 3.8 billion on sea and river transport, and 2.6 billion on highways.

The highway program is of particular interest to travelers who have roamed the steppes. Until recently the only highways worthy the name were the Georgian Military Road, the coastal roads of Crimea, and certain sections of the old Siberian track, down which the Tsars' prisoners were sent to exile. In summer the peasants drive their light wagons in the fields alongside the rutted roads, making a series of tracks several hundred yards wide. The "winter road" runs anywhere over the beaten snow. In spring and autumn the roads are impassable troughs of mud. The state now maintains 49,000 kilometers of road, of which 30,000 are dirt and 11,400 are macadamized. About one-half of the million kilometers of provincial and village roads supposed to be maintained out of the local budgets are in need of major repair.

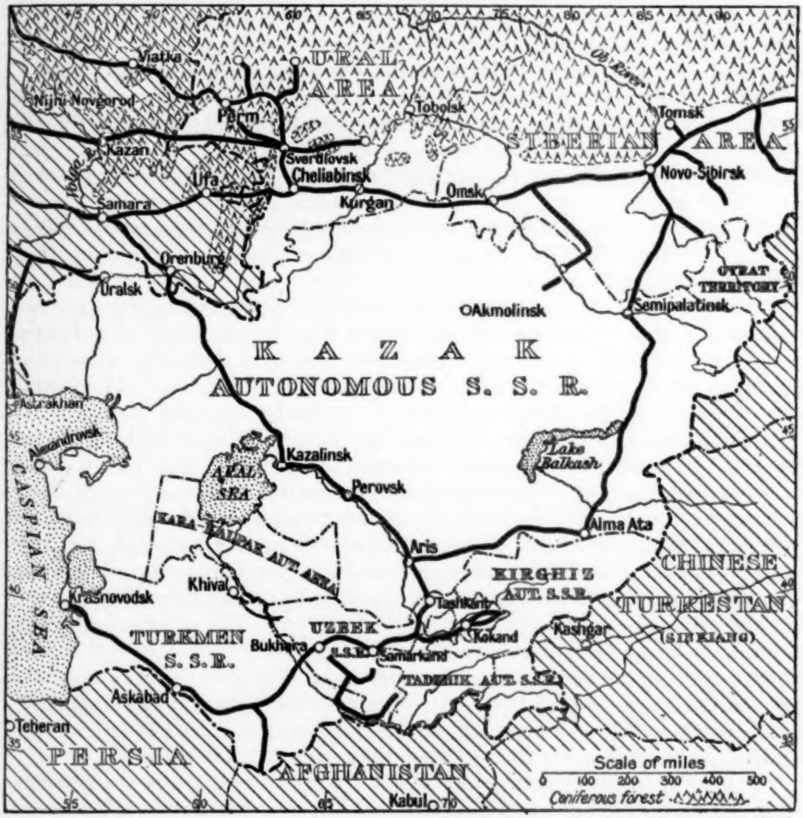
Russia has only recently become "road-conscious" in the American sense. A voluntary organization, the "Avtodor," began working last year for the "automobilization" of the Soviet Union. It has established a permanent bureau of road research to recommend types of road for the various regions, in so far as the limits of available building materials allow. The type generally favored is a dressed dirt road, with a covering of asphalt emulsion, which is supplied by the Oil Combine. The new roads are being built for heavy motorized traffic. There are now some 22,000 automobiles in the Soviet Union, which will be increased by 14,900 this year. The plant at Nijni-Novgorod will have a capacity production of 140,000 Ford A and AA models a year. The Moscow and Yaroslavl plants are being expanded to produce a total of 45,000 trucks. Naturally the most insistent demand for motorized transport is coming from the new collective farms and the tractor brigades. It is too early to make predictions as to the success of the transport program, but certainly a note of progress is heard in the impatient honking of the automobile horn in the mud-bound villages of the Volga.

Russian river traffic has been restored to only four-fifths of what it was before the war, and the Soviet sea fleet has only 40 percent of the pre-war tonnage. On the other hand, the civil air services are developing rapidly. Last year there were 13 air lines operating, covering 18,461 kilometers. Mail, passengers and freight are carried from Moscow not only to Riga and Berlin, but to the Black Sea, to the Caucasus, and as far east as Irkutsk. These services are to be trebled by 1933.

But in the Soviet plans these forms of transport are secondary. The main reliance continues to be on the railroads. With the exception of the early railroads, built to carry agricultural produce from the Volga to the European markets, most of the Tsarist railroad construction was governed by political and military strategy. Economic service was not an essential. The railroads to the Caucasus and Turkestan followed the military conquest of the tribal states. The Trans-Siberian line was inspired by Russia's anti-western feeling at the end of the nineteenth century, and led to the disastrous conflict with Japan. And the Murmansk line, rushed across the tundra to the ice-free part of the Arctic in 1915–16, was primarily for military supply.

Under the Soviets, the railroad problem is no longer to connect the extremes of the country by trunk lines, but to build feeders and to intensify the existing service. Transport is considered an instrument of industrialization and socialization; it is employed to control and remold the life of the country in the interests of socialized economy and the new culture.

Soviet achievements in railroading are noteworthy, even when measured against the immensity of the problems involved. The inheritance was a railway net of 58,549 kilometers (after cutting off the 12,000 kilometers which went to the detached states of Finland, Poland, Latvia, Estonia, Lithuania and Bessarabia). A picture of the remaining network was like a many-pronged fork, with no connecting lines, and with useless junctions. Only 27 percent was double-tracked. Most of the equipment was old-fashioned; a quarter of the locomotives have been in service for twenty years. During the Civil War the railroads were the object of fierce contest, with the result that 3,672 bridges and 22,000 kilometers of track were destroyed; most of the rails and ties were ready for renewal; and 52 percent of the locomotives and 22 percent of the freight cars were "sick" (in need of repair).


URAL AREA
SIBERIAN AREA
KAZAK AUTONOMOUS S. S. R.
KARA-KALPAK AUT. AREA
KIRGHIZ AUT. S.S.R.
UZBEK S.S.R.
TURKMEN S. S. R.
TADZHIK AUT. S.S.R.
CHINESE TURKESTAN (SINKIANG)
OYRAT TERRITORY
PERSIA
AFGHANISTAN
CASPIAN SEA
ARAL SEA
Lake Balkash
Ob River
Volga
Viatka
Nijni-Novgorod
Perm
Kazan
Sverdlovsk
Cheliabinsk
Ufa
Samara
Tobolsk
Tomsk
Novo-Sibirsk
Kurgan
Omsk
Orenburg
Uralsk
Akmolinsk
Semipalatinsk
Astrakhan
Alexandrovsk
Kazalinsk
Perovsk
Alma Ata
Aris
Tashkent
Kokand
Kashgar
Khiva
Krasnovodsk
Bukhara
Samarkand
Askabad
Teheran
Kabul
Scale of miles
0 100 200 300 400 500
Coniferous forest
55
60
65
70
75
80
85
90
45
40
35

*Prepared by American Geographical Society of New York*

RAILROADS IN ASIATIC RUSSIA

The recently opened Turkestan-Siberian Railroad begins at Novo-Sibirsk on the Trans-Siberian Railroad and connects with Aris on the Central Asia Railroad.

Last year the railway system was considered restored. New building had extended the total length of lines in operation to 77,600 kilometers, a third more than the pre-war figure. The "sick" locomotives were reduced to 12.7 percent, and the "sick" freight cars to 4.5 percent, which compares favorably with the respective "sick" figures of 17 and 6 percent in 1913. The traffic last year exceeded the 1913 level — 62.4 percent more ton-kilometers of freight, and 17.1 percent more passenger-kilometers. And for the first time the Soviet railroads showed a profit, amounting to 71.6 million rubles, despite the fact that freight rates average only one kopek per ton-kilometer, and passenger rates are 40 or 50 percent of the American average.

The central object of Soviet transport development is an intensification of the existing services. A technical reorganization is now under way. The program includes the use of longer trains, larger and more powerful locomotives (types of 80 and 100 tons), 50-ton freight cars to replace the prevailing 20-ton type, and special gondola cars for ores. Automatic couplers and automatic brakes are being installed throughout the system. Orders for new equipment in the Five Year Plan include 4,032 locomotives, 6,708 passenger coaches, and 162,000 freight cars.

Turning now to the general question of transport, we see that there are two dominant problems confronting the Soviet Government, one of industrial supply, the other of agricultural export. The first arises from the necessity of providing for the increasing traffic between the industrial centres of Leningrad and Moscow and the raw material supply — the Donetz coal basin and the Krivoi-Rog iron region to the south, and the Kuznets mineral fields in Siberia. By way of solution, it is proposed to convert the existing lines into a super-trunk system, especially adapted to huge locomotives and longer trains. Some engineers are urging the abolition of passenger traffic on these lines until the conversion takes place. The second problem is to open a southern exit from Siberia, so that the grain surplus can reach the foreign market. The Don-Volga canal, scheduled to be started next year, will partially solve this problem, but the canal will operate only 240 days of the year. The proposed southern trunk line, Troisk-Orsk-Orenburg-Uralsk-Saratov, and thence to the port of Rostov-on-Don, can be built by connecting up existing links with the necessary new roadbed, and by an additional bridge over the Volga. When completed, this southern exit from Siberia will be the chief route of Russia's export grain, which some think may eventually smash the grain market of the world.

The most interesting part of the Soviet transport program is the development envisaged in Siberia and Central Asia. The over-population of European Russia is to be relieved by offering free transportation for colonists of all occupations to the empty spaces in the east. The Urals have disappeared as a boundary, and have ceased even to be a geographical expression. In "Winning the East" the Soviets revive Russia's old economic and cultural mission, and seek again the quiet Asiatic markets, sheltered from foreign competition. In the new push to the east, however, Karl Marx instead of the Orthodox Church goes in the baggage.

Of particular significance in this respect is the Turkestan-Siberian Railroad, opened for traffic on May first of this year. This new road, 1,445 kilometers long, skirts the western borders of China, and makes possible the transport of

Siberian grain and timber to Turkestan. The inhabitants of the latter region are now free to grow cotton exclusively. The completion of the road eighteen months ahead of the original schedule has caused a sharp upward revision of the plans for cotton production. The total area planted to cotton last year in the Soviet Union was one million hectares, of which 85 percent was in Central Asia. The yield was 976,000 tons. Cotton planting this year is expected to reach 1,452,000 hectares. The budget assignment to irrigation, mostly in the cotton regions, was 36 million rubles last year, and is 110 million rubles in the revised 1929–30 budget. An immediate result of the quickened tempo in the growing of cotton is that the Soviet import of cotton from America dropped from $51,000,000 in 1927–28 to $31,000,000 last year, and a further decrease is planned for this year. Moscow's enthusiasm for cotton has also led this year to the establishment of a technical school of cotton culture in Tashkent, with a student body of 3,000 and a faculty drawn from the 180 cotton experts and 350 agrarian technicians in the region.

But aside from these economic considerations the "Turk-Sib" railroad has opened what promises to be a romantic chapter in empire building. The region traversed is rich in raw materials for industry and has a splendid climate. The soil is adapted to rice, fruits and other products. New villages are springing up along the line; streams of settlers and adventurers have been arriving since last autumn. And Lake Balkash suddenly arrives on the map as a resort within the reach of the average man.

The Russians built a railroad across Manchuria. Within twenty-five years that region has increased in population from 3 to 30 million, and is now the bread-basket of the Far East. It will be interesting to watch how the Communists build the social and economic scheme of the virgin territory in Central Asia, in which they have absolute control of all the forces of life. And it will be interesting to observe the effect on a rejuvenated China of a booming neighbor on her sleepy western frontier. For it is probably China which will have to test out in her dawning industrialism the comparative merits of capitalism and socialism.

# AGRICULTURE AND THE JAPANESE NATIONAL ECONOMY

*By Shiroshi Nasu*

DESPITE her recent remarkable progress in industry and commerce, Japan is still predominantly an agricultural country. The major part of her national net production is drawn from agriculture, and more than one-half of her population is sustained by tillage of the land. Hence any change which takes place in the villages is felt keenly in all spheres of social and political activity. Those who are interested in Japan's destiny should study not only the big cities, but also the country districts. For to know village life is to know the foundation of the nation.

The exhaustion of the supply of new land available for cultivation, coupled with the higher standard of living prevailing among Japanese farmers since the World War, has opened a new chapter in the history of Japan's population problem. The burden of maintaining the increasing population from now on must fall chiefly upon the manufacturing industry. Employment in the villages is already limited, and as a result unemployed urban workers who migrated to the open land have become a burden to their village relatives. Furthermore, the tenant peasants, who make up nearly one-third of the total farming population, are not satisfied with the present conditions of renting land, and some of them are organized into unions to safeguard their interests against the landowners. The alert labor leaders are not blind to the situation, and they are now launching several nation-wide campaigns with the aim of forming a united front among the peasants and the urban proletariat. The bourgeois politicians, the Social Democrats and the left-wing Socialists have all put forward separate programs for relieving the farmer's misery and winning his allegiance. The way in which the farmer uses his power will largely decide the fate of the capitalistic régime in Japan, for nobody can dream of accomplishing any far-reaching social reconstruction without the hearty participation of the rural population.

The total population of Japan in 1925, according to the Census and other official statistics, is shown in Table I.

I. Population of Japan

| *Territory* | *Number of Households* | *Population* |
|---|---|---|
| Japan proper | 11,252,000 | 59,737,000 |
| Korea | 3,609,000 | 19,523,000 |
| Formosa | 727,000 | 3,993,000 |
| Saghalien | 37,000 | 204,000 |
| *Total* | 15,625,000 | 83,457,000 |

The farming population consists of more than one-half the total number of households, as is shown in Table II.

### II. FARMING POPULATION OF JAPAN

| *Territory* | *Number of Farming Households* | *Percentage of Farming Households to the Total Households* | *Population Belonging to Farming Households* |
|---|---|---|---|
| Japan proper | 5,549,000 | 49.3 | 26,940,000 |
| Korea | 2,742,000 | 75.9 | 14,650,000 |
| Formosa | 394,000 | 54.2 | 2,340,000 |
| Saghalien | 9,000 | 23.4 | 44,000 |
| *Total* | 8,694,000 | 55.6 | 43,974,000 |

It will be noted that the percentage of farming households is highest in Korea, where industrialization has not yet been introduced so fully as in Japan proper, and lowest in newly settled Saghalien, where the climate is too rough for prosperous agriculture.

Now let us see how many people are actually engaged in agriculture and what amount of labor they put into it. In Japan proper, about 52.5 percent of the population belonging to farming households is actually engaged in agriculture, and since this percentage will not be very different in other parts of the Empire, we shall assume that it holds good in them also. As to the actual amount of labor expended on agriculture, my estimate is about 4 billion working days annually, as is shown in Table III. This estimate was made in two ways: first, by adding together the labor requirements of different crops; and second, by adding together the average annual working days of the different classes of agricultural population. Fortunately, the results of these two calculations were almost identical. In Japan proper, according to research conducted by the National Agricultural Association, active members of farming households work on the farm on an average of 185 days annually, while agricultural wage earners average about 250 days. Nearly 92 percent of the total agricultural working days is supplied by members of farming households.

### III. LABOR EMPLOYED IN AGRICULTURE

| *Territory* | *Number of People Actually Engaged in Agriculture* | *Working Days Per Year* |
|---|---|---|
| Japan proper | 14,140,000 | 2,700,000,000 |
| Korea | 7,620,000 | 1,000,000,000 |
| Formosa | 1,220,000 | 300,000,000 |
| Saghalien | 23,000 | [1] |
| *Total* | 23,003,000 | 4,000,000,000 |

Now let us compare the amount of labor employed in agriculture with that employed in other occupations. The average annual number of working days for each occupation was estimated and the estimates were then added together. Table IV shows the result.

[1] The agricultural working days in Saghalien are omitted, the figure being negligible.

### IV. LABOR EMPLOYED IN AGRICULTURE AND ALL OTHER OCCUPATIONS

| *Territory* | *Total Agricultural Working Days* | *Percent* | *Total Working Days of Other Occupations* | *Percent* | *Total of Agricultural and Other Working Days* | *Percent* |
|---|---|---|---|---|---|---|
| Japan proper | 2,700 million | 41.5 | 3,800 million | 58.5 | 6,500 million | 100 |
| Korea | 1,000 " | 71.3 | 400 " | 28.7 | 1,400 " | 100 |
| Formosa | 300 " | 68.2 | 140 " | 31.8 | 440 " | 100 |
| Saghalien | — | — | — | — | — | — |
| *Total* | 4,000 million | 48.0 | 4,340 million | 52.0 | 8,340 million | 100 |

The figure representing the total working days of other occupations does not include those of domestic work done by housewives and other unpaid family members, but it includes those of people engaged in free professions. As can be seen, agriculture accounts for 48 percent of the total working days. If we count only working days of so-called productive labor in the narrower sense and omit those of free professions (which amount to 550 million days), the total will be 7,790 million working days, 51 percent of which is accounted for by agriculture.

Table V shows, for Japan proper, how those productive working days are distributed among the various occupations.

### V. WORKING DAYS OF JAPAN PROPER ACCORDING TO OCCUPATIONS

| *Occupations* | *Total Working Days* | *Percent* |
|---|---|---|
| Agriculture | 2,700 million | 44.3 |
| Manufacturing industries | 1,670 " | 27.3 |
| Commerce | 1,120 " | 18.4 |
| Communication and transportation | 350 " | 5.7 |
| Fisheries | 120 " | 2.0 |
| Mining | 90 " | 1.5 |
| Forestry | 40 " | 0.7 |
| Miscellaneous | 10 " | 0.1 |
| *Total* | 6,100 million | 100.0 |

For the sake of reference, the classification of population by occupations is given in Table VI.

Let us now examine the amount of capital employed in agriculture. Agricultural capital may be divided into two categories, land capital and other capital. The land capital is represented by the land value, which includes land amelioration. Other capital includes farm buildings, agricultural implements, live stocks, fertilizers and cash. Table VII gives my estimate of agricultural capital.

We see that nearly 40 billion yen is invested in agriculture, and 88 percent of it is in Japan proper. But how does this compare with capital invested in other businesses? My estimate is shown in Table VIII.

VI. POPULATION OF JAPAN PROPER (1920) ACCORDING TO OCCUPATIONS

| *Occupations* | *Number of People Actually Engaged* | | | |
|---|---|---|---|---|
| | *Male* | *Female* | *Total* | *Percent* |
| Agriculture | 7,750,000 | 6,378,000 | 14,128,000 | 53.06 |
| Manufacturing industries | 3,716,000 | 1,584,000 | 5,300,000 | 19.90 |
| Commerce | 2,158,000 | 1,030,000 | 3,188,000 | 11.97 |
| Free professions | 1,134,000 | 308,000 | 1,442,000 | 5.42 |
| Communication and transportation | 975,000 | 62,000 | 1,037,000 | 3.89 |
| Fisheries | 517,000 | 41,000 | 558,000 | 2.10 |
| Mining | 328,000 | 97,000 | 425,000 | 1.60 |
| Other occupations | 346,000 | 202,000 | 548,000 | 2.06 |
| *Total* | 16,924,000 | 9,702,000 | 26,626,000 | 100.00 |

VII. AGRICULTURAL CAPITAL IN JAPAN (IN YEN)

| *Territory* | *Land Capital* | *Other Capital* | *Total Agricultural Capital* | *Percent of Total Agricultural Capital* |
|---|---|---|---|---|
| Japan proper | 27,700 million | 7,000 million | 34,700 million | 88.0 |
| Korea | 3,200 “ | 480 “ | 3,680 “ | 9.3 |
| Formosa | 790 “ | 280 “ | 1,070 “ | 2.7 |
| *Total* | 31,690 million | 7,760 million | 39,450 million | 100.0 |

VIII. CAPITAL INVESTED IN JAPAN PROPER

| *Business* | *Invested Capital* | *Percent* |
|---|---|---|
| Agriculture | 34,700 million yen | 47.1 |
| Commerce | 13,000 “ “ | 17.6 |
| Manufacturing industry | 10,000 “ “ | 13.6 |
| Forestry | 6,000 “ “ | 8.1 |
| Mining | 5,000 “ “ | 6.8 |
| Communication and transportation | 4,500 “ “ | 6.1 |
| Fisheries | 500 “ “ | 0.7 |
| *Total* | 73,700 million yen | 100.0 |

This table shows that commercial capital, which is next in volume to agricultural, is slightly more than one-third of the latter, and capital invested in manufacturing industry is about 80 percent of commercial capital. The Government Statistical Bureau estimated the total national wealth of Japan proper as 102 billion yen, and the agricultural capital alone amounts to one-third of this figure. The fact that the main part of this agricultural capital consists of land value accounts for the enormous land rents. No wonder landowners have been very influential in politics in the past, although their influence is now waning rapidly before the rising financial magnates. For Korea and Formosa I did not make the same kind of comparison, but I am reasonably sure that agricultural capital occupies an even more prominent position there.

We have seen that in Japan proper about 44 percent of the total productive labor and about 47 percent of the total capital are employed in agriculture. Now what is the contribution of agriculture to the annual production of material wealth of the nation?

The estimated value of the annual agricultural production in Japan proper is 4,439 million yen. But to effect this production, farmers consume materials (fertilizer, green manure, seeds and live stock, depreciation of agricultural implements, depreciation of buildings, and fodder) totaling 1,193 million yen in value. The balance of 3,246 million yen is the net wealth produced by agriculture — the real material income which may be distributed into wages, interest, rent and taxes. The amount of this net wealth, as well as its ratio to the gross production, is of great importance, for by it the social and economic significance of an industry may be very largely judged. In Japan proper the net wealth annually produced by agriculture is 73 percent of the gross agricultural production.

In the manufacturing industry the total annual production in Japan proper is estimated at about 7,300 million yen, but to produce this amount the industry must spend nearly 5,000 million yen for raw materials, 300 million yen as depreciation of machines and buildings, 120 million yen for fuels. The balance, almost 1,900 million yen, is the net wealth produced by the manufacturing industry, which is only 26 percent of the gross production. There is no comparison between this ratio and that of agricultural production. Agriculture is so superior in this respect simply because it makes use of the inexhaustible productive power of nature which is embodied in the soil.

Table IX shows the proportion of this net wealth production to the amount of labor or capital employed in producing it. I should like to call those proportions "net wealth productivity of labor or capital."

IX. THE NET WEALTH PRODUCTIVITY OF AGRICULTURE AND MANUFACTURING INDUSTRY IN JAPAN PROPER

| | *Net Wealth Produced* | *Labor Employed* | *Net Wealth Productivity of Labor Per One Working Day* | *Capital Invested* | *Net Wealth Productivity of Capital* |
|---|---|---|---|---|---|
| | *Million Yen* | *Million Days* | *Yen* | *Million Yen* | *Percent* |
| Agriculture | 3,246 | 2,700 | 1.20 | 34,700 | 9.4 |
| Manufacturing | 1,895 | 1,670 | 1.13 | 10,000 | 18.9 |

The manufacturing industry includes many small-scale domestic industries: in Japan proper there are nearly 52,000 workshops, about one-half of which employ only from five to ten workers. This may be one of the causes of the rather low net wealth productivity of its labor. But the net wealth productivity of capital in the manufacturing industry is twice that of agriculture, the chief reason perhaps being the quicker circulation of industrial capital. Capital does not flow from agriculture to industry because of the high land value due to the pressure of population, and also because of social obstacles which prevent the free movement of capital.

These arguments may be applied to Korea and Formosa as well. The total agricultural production of these territories is 1,340 and 307 million yen respectively, and, applying the same ratio as that of Japan proper, we may estimate the net wealth production roughly as 978 and 224 million yen. Owing to the less advanced, capitalistically less intensive state of agriculture of those territories, this ratio is probably even higher. Therefore we can safely take the above figures and say that the gross agricultural production of the Japanese Empire is about 6,090 million yen, of which 4,448 millions can be put down as the net wealth production.

There are some people who insist that Japan is already predominantly an industrial country and agriculture now occupies only a second-rate position in her national economy. Their argument is usually based on a comparison of the gross production of agriculture and industry, which is rather misleading. Our study shows clearly that Japanese agriculture still commands the largest amount of capital and labor of all productive enterprises, and raises the bigger share in the total net wealth production of the nation. The most recent estimate of the national income of Japan proper published by the Government Statistical Bureau is about 13,400 million yen, and my estimate of the agricultural net wealth production is more than 24 percent of this national income. This fact alone is convincing proof of the supreme importance of agriculture in Japanese economic life.

But it is entirely another question whether agriculture can hold its present position indefinitely. That depends very much upon the possibility of further industrial development and also upon the trend of future population growth in Japan. For the past twenty years the agricultural population has practically stopped its growth, while the total population has continued to increase. The result is that the agricultural population has dwindled from 60 percent to 50 percent of the total in Japan proper. In all probability this tendency will continue, and with the development of industrialization more capital as well as more labor will be absorbed by industry and commerce. Yet it will be a fatal mistake if Japan tries to accomplish this industrialization at the expense of her agriculture, for then the stability of her national economy as well as the healthy development of her social psychology will be damaged. It will also be impossible to absorb into other occupations the millions of unemployed peasants. The only safe — and it seems to me inevitable — course for Japan is to follow the example of Germany in trying to develop manufacturing industries side by side with agriculture. At least for the next fifty years agriculture will not lose much of its importance, and the farmers will hold a powerful position in shaping the destiny of the nation.

In conclusion, let us briefly survey the relation between Japanese agriculture and foreign trade.

Japanese agricultural products are intended for home consumption, and the amount of their export is quite negligible. The annual average export of agricultural produce from Japan proper is less than 30 million yen out of the total production of 4,439 millions, while the import of foreign agricultural products reaches the enormous sum of 1,100 million yen. The export includes

10 millions of peas and beans, 7 millions of vegetables, 4 millions of fruits and seeds, 2½ millions of lilies, 1½ millions of rice; while the import includes 630 millions of cotton, 100 millions of wool, from 50 to 120 millions of rice, 70 millions of wheat, 47 millions of soy bean. A portion of the imported cotton and wool is again exported as manufactured goods to the value of 500 million yen. The grand total of exports from Japan proper is 2,000 million yen, 60 percent of which consists of goods made from home-produced agricultural raw materials. Foreign agricultural products amount to almost one-half of the total value of imported goods.

Therefore if Japanese agriculture can raise its productive power by only 5 percent, its effect upon the balance of foreign trade will be immense. And this is not at all impossible. Self-sufficiency in food production will be difficult to accomplish, and for that reason we hear a great deal of talk about the food and population problems of Japan. Yet we can expect greater achievement from Japanese agriculture, and the thorough study of its changing conditions will be full of interest to students of political economy.

# THE CHANNEL TUNNEL

WHEN it was first proposed to construct a tunnel connecting England and France, the military aspect was given most attention. In spite of the fact that provision was made in the plans for flooding five miles of the tunnel from either end at a second's notice, high military authorities in England strongly objected to the scheme. But the ease with which Germany conducted air raids over London and other cities during the war showed that England's position was no longer impregnable behind the ramparts of surrounding seas. Accordingly it was realized that the economic advantages — or disadvantages — of the tunnel should receive first consideration. In April 1929 Prime Minister Baldwin appointed a Committee "to examine and report on the economic aspects of proposals for the construction of a Channel tunnel or other new form of cross-Channel communication."

In its report[1] the Committee condemns as unsatisfactory the various alternatives to a Channel railroad tunnel — a cross-Channel passenger and freight train ferry; a tunnel for both automobile and railroad traffic; a bridge for both automobile and railroad traffic; a railroad tube across the bed of the sea; and a cross-Channel jetty. Two schemes for a Channel tunnel were laid before the Committee. One of them provided for the construction of the tunnel and also of an entirely new railroad from London to the coast and another from Paris to the coast; the estimates of this company were: $292,500,000 for the English section of railroad, $500,000,000 for the French section, and $154,000,000 for the tunnel proper. The Committee rejected this scheme because of its prohibitive costs.

The proposals of the English Channel Tunnel Company are quite different. This company, formed in 1872, favors tunneling through the gray chalk from Sangatte (between Boulogne and Calais) to Shakespeare's Cliff (between Dover and Folkestone), the point of greatest depth being 95 feet below the channel bed, or 260 feet below sea level. Such a tunnel would be 36 miles long — 24 miles under the Straits of Dover and 32 miles of approach tunnels. (The Simplon Tunnel, the longest in the world, is 12 miles long.) The approach tunnel in England and the English half of the submarine tunnel would be constructed by the English Channel Tunnel Company, the other half of the construction to be done by the French Channel Tunnel Company, which holds a concession from the French Government enabling it to begin work at a moment's notice.

The tunnel would consist of two traffic tubes, each of a diameter of 18½ feet, and a 10-foot pilot tunnel for drainage and ventilation. Electricity to operate trains through the tunnel would be supplied from power stations at each end of the tunnel. Heretofore it has been assumed that the Chemin de Fer du Nord would insist upon the use of its larger loading gauge; but, since the broader and higher French cars are too big for the English railroad platforms, tunnels and bridges, the latest English proposals are based on the assumption that the steel cars to be used in the tunnel will conform to the British loading gauge.

There will be no insuperable geological difficulties in the construction of the tunnel if the chalk formation extends uninterruptedly across the Straits. The Committee is in favor of the construction of the pilot tunnel, which, if successful, will settle the question of the practicability of constructing the two traffic tunnels. The estimated cost of the preliminary or pilot tunnel is $28,000,000 and of the two traffic tunnels, about $125,000,000. The total cost would be divided equally between the English and French companies; the Committee favors construction by private enterprise, without state aid. The pilot tunnel could be constructed in two and a half years and the traffic tunnels in four and a half years.

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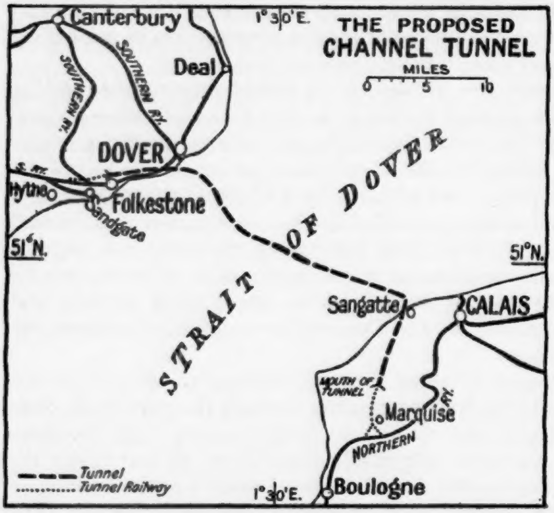
[1] Published March 14, 1930. Cmd. 3513.

The passage of a train through the tunnel would take about three quarters of an hour, as contrasted with an hour and a half for the present steamer crossing between Dover and Calais. Another three quarters of an hour would be saved if customs officials examined baggage on the train (as they often do on the Continent) instead of at the points of embarkation and disembarkation. This would shorten the trip from London to Paris — now nearly eight hours — by an hour and a half, and would therefore, it is believed, result in more passengers crossing the Channel to visit England or the Continent. The Committee estimates that the tunnel, if it is opened in 1938, will secure 2,357,000 passengers during the first year of its operation, and that the development of air services will not seriously interfere with the traffic prospects.



The movement of freight across the Channel is at present relatively unimportant, being confined almost entirely to perishable foodstuffs and goods of high value. Freight imported, exported, and reëxported via Dover, Folkestone, and Newhaven amounts to less than 3 percent of England's foreign trade. If this traffic remains the same in the future, construction of the proposed tunnel will bring but slight benefit to English trade. But the Committee argues that, as the development of communications during the past century resulted in great increases in the amount of traffic, so construction of the Channel tunnel will reap the benefit of increasing production and commerce in the future. The Committee believes that it could be built, maintained, and operated at a cost that would allow of freight and passenger rates not higher than those now in force in cross-Channel traffic.

The trades that might be adversely affected by the operation of a Channel tunnel are important, but they are not numerous and they represent but a small percentage of the trades and industries of the entire country. The agricultural producer in southeastern England, who fears the increased competition from the Continent, can improve his position by developing better methods of marketing his produce; furthermore, he has an initial advantage over his competitor in his proximity to the London market. Concerns operating trans-Channel cargo boats are threatened with the loss, partial or absolute, of their business; accordingly, the Committee recommends that careful consideration be given to their plight, both for their own sake and also for the reason that, if they are driven out of business, freight rates might rise because of lack of competition. The railroads hold that, while they may lose their trans-Channel boat and train traffic, they will benefit from the general growth of traffic resulting from the operation of the tunnel.

Construction and operation of the tunnel would have only slight effect on the labor market. About 250 men would be employed in the construction of the pilot tunnel, and about 1,550 men in the construction of the traffic tunnels. In addition, it is estimated that work on the pilot tunnel would indirectly provide employment for 750 men and on the main tunnels for 4,500 men. The number of laborers thrown out of work when the tunnel is opened would be relatively small.

The French public has always favored the construction of the tunnel. Marshal Foch in 1922 said of the project: "If the Channel tunnel had been built it might have prevented the war, and in any event it would have shortened its duration by one half."

In England, however, opinion has always been divided. Though Gladstone, John Bright, and Lord Salisbury favored the project, Joseph Chamberlain and the War Office opposed it. No British government thus far has supported it. The report of the Channel Tunnel Committee favors the project, but the dissenting minute of one member of the Committee and also some hostile press comment are indications that the plan is still subject to controversy. Prime Minister MacDonald recently informed Parliament that the Committee of Imperial Defense would be asked for its opinion of the report and that, as soon as the government had reached a decision, it would be communicated to the House of Commons.

In general, Conservative periodicals oppose the scheme while Liberal periodicals favor it. The Conservatives argue that, if the danger of invasion can be ruled out in a discussion of the tunnel, so can the necessity for the tunnel itself, for crossing the Channel today is a much easier and faster trip than it was when the project was first discussed. The only justification for constructing the tunnel, they continue, is unmistakable proof that it would add to England's comfort and prosperity, promote foreign trade, and relieve unemployment — and this is not found in the report. The Liberals reply that this attitude is founded on prejudice and opposition to progress. Furthermore, they suggest that, as imports from the Continent now exceed exports via the Channel, the railroads might offer especially attractive rates to English exporters in order to fill freight cars that would otherwise return empty to the Continent. The Committee's report may not be so enthusiastic as to persuade conservative people to invest money in the project, but, as one writer suggests, the romance and glamor of adventure in it might well attract a number of investors.

So far we have considered only the material aspects: what about the spiritual results of constructing the tunnel? By putting an end forever to the tourist's terror of a rough Channel crossing, the tunnel should encourage visitors to England from foreign lands. Traveling Americans, it is argued, most of whom visit Paris, will be more inclined to include England in their tour of Europe; and the French, who are not fond of crossing the sea, will become more familiar with their neighbor. Thus a better Anglo-French understanding, and probably a better understanding of Great Britain by foreigners generally, might result if the project ever materialized.

*A. S. V. S.*

# SOME RECENT BOOKS ON INTERNATIONAL RELATIONS

### *By William L. Langer*

*NOTE*—Foreign Affairs will supply its readers, *post free*, with any book published in the United States, at the publisher's regular list price. Send orders, accompanied by check or money order, to Book Service, Foreign Affairs, 45 East 65th Street, New York City.

## *General International Relations*

THE UNITY OF THE WORLD. By Guglielmo Ferrero. New York: Boni, 1930, 196 pp. $2.50.

A brilliant essay, characterized by the author's usual breadth of sympathy and depth of understanding.

L'IDÉAL D'HUMANITÉ. By T. G. Masaryk. Paris: Rivière, 1930, Fr. 10.

The confession of faith of the great Czech statesman-philosopher.

NATIONALISM AND INTERNATIONALISM. By Herbert A. Gibbons. New York: Stokes, 1930, 284 pp. $2.00.

A well-known journalist surveys the world scene.

WORLD POLITICS AND MODERN CIVILIZATION. By Harry Elmer Barnes. New York: Knopf, 1930, 672 pp. $6.50.

A keen analysis of some fundamental characteristics of modern society, including nationalism, militarism and imperialism and their reaction on international relations.

A WORLD COMMUNITY: THE SUPREME TASK OF THE 20TH CENTURY. By John H. Randall. New York: Stokes, 1930, 311 pp. $2.50.

A semi-popular discussion of the rise of internationalism in the modern world and the obstacles to the realization of the new ideal.

THE FUTURE OF EMPIRE AND THE WORLD PRICE OF PEACE. By William H. Dawson. London: Williams and Norgate, 1930, 286 pp. 12/6.

An examination of the fundamental causes of war, by a competent English writer.

WAR FOR PROFITS. By Otto Lehmann-Russbüldt. New York: King, 1930, 175 pp. $1.75.

The German original of this attack on the armament interests has already been noted.

HIGHWAYS TO INTERNATIONAL GOOD WILL. By Walter W. Van Kirk. New York: Abingdon, 1930, 190 pp. $1.00.

A hopeful survey of the forces and agencies working for peace.

LEHRBUCH DES VOELKERRECHTS. By Alexander Hold-Fernack. Leipzig: Meiner, 1930, 257 pp. M. 7.80.

Volume one of this new general treatise is devoted to the examination of general principles of international law.

LA MER TERRITORIALE. By Antonio Sanchez de Bustamente y Sirven. Paris: Sirey, 1930, 304 pp. Fr. 50.

The French translation of a standard treatment by the well-known Cuban authority.

AIR POWER AND THE CITIES. By J. M. Spaight. London: Longmans, 1930, 244 pp. 15/-.

One of the foremost writers on problems of air defense discusses the crucial question of the situation of cities under the new conditions of war.

NAVAL DISARMAMENT. By H. Wilson Harris. London: Allen and Unwin, 1930, 124 pp. 36/-.

A concise little handbook stressing the evolution of the problem since the Washington Conference and attempting to bring out the factors underlying the policy of the various powers.

LE DÉSARMEMENT DEVANT LA SOCIÉTÉ DES NATIONS. By André Gardes. Paris: Pedone, 1930.

The author reviews the problem and examines both its political and technical sides.

LE PACTE DE PARIS. By R. Le Gall. Paris: Sirey, 1930, 160 pp. Fr. 25.

The Paris Pact has found many able exponents and many competent critics. The advantage of this brief and concise treatment is that it reviews the problem after the mist has more or less cleared away, and after conflicting views have been aired. Though technical, the book is very readable, especially in the parts devoted to the history of the negotiations. There is, of course, nothing novel about this section, but the second part of the book, which analyzes the text and the various interpretations that have been derived from it, is well worth careful study. The author does not fail to point out the weaknesses and defects of the treaty, nor does he lose sight of the practical applications while discussing the theoretical aspects. He takes issue with Miller and other commentators in regard to Article 2 and adduces arguments to show that it does not imply the use of obligatory arbitration in the settlement of international disputes. The book closes with a very useful bibliography.

TEN YEARS' LIFE OF THE LEAGUE OF NATIONS. Edited by John Eppstein. London: Mayfair Press, 1930, 176 pp. 7/6.

One of the best of the many popular surveys of the history and activity of the League.

FOLKEFORBUNDETS FØRSTE TIAAR. Copenhagen: Levin and Muncksgaard, 1930, 238 pp. Kr. 3.50.

A review of the activities of the League during the first decade, published by the Danish Foreign Office and containing contributions by members of the Danish Government and by officials who have actually taken part in the work of the League.

THE OPEN DOOR AND THE MANDATES SYSTEM. By Benjamin Gerig. London: Allen and Unwin, 1930, 236 pp. 10/-.

A pioneer study of the economic system under the old colonial régime as it has been modified by the provisions of the mandates.

SURVEY OF INTERNATIONAL AFFAIRS, 1928. By Arnold J. Toynbee and V. M. Boulter. New York: Oxford University Press, 1929, 591 pp. $7.50.

This latest volume of the valuable survey published for the Royal Institute of International Affairs is devoted to the problems of disarmament and security, and to a review of the developments in Southeastern Europe, in the Islamic World and in China.

## *International Relations of the United States*

AMERICA CONQUERS BRITAIN. By Ludwell Denny. New York: Knopf, 1930, 456 pp. $4.00.

Though the edge has been taken off this subject by the recent book by Nicholas Roosevelt, this volume can be confidently recommended as one of the most interesting political writings of the past quarter. The author, whose work on the oil situation is well known, is particularly competent at this type of writing. The subject, of course, is of first rate importance, the more so as the average American is all too apt to be fascinated and optimistically disposed by political moves and spectacular conferences. Here the reader will find discussed not the feats of military campaigns or the accomplishments of diplomacy, but the less obvious activities of big business interests and the greatest economic conflicts the world has ever seen. For Mr. Denny the outcome is predetermined. The United States is, in actual fact, outstripping England in almost every field of economic enterprise and he believes the unthinkable clash of arms is one that should be very much thought about. The book is crammed with interesting information which will be novel to many readers, and if there is an element of the sensational in the presentation of the material, the arguments are such that they should not be lightly passed over. To those who profess liking to "keep their feet on the ground" this volume should be thoroughly welcome.

AMERICA LOOKS ABROAD. By Paul M. Mazur. New York: Viking, 1930, 314 pp. $3.00.

A thoughtful stock-taking of America's position in the world as it has developed since the war.

INCONTRO COL NORD AMERICA. By F. Ciarlantini. Milan: Alpes, 1929, 298 pp. L. 15.

The other side of the shield: the United States as it appears to an intelligent observer from across the Atlantic.

LOS YANQUIS EN SANTO DOMINGO. By Max Henríquez Ureña. Madrid: Aguilar, 1929, 285 pp. Pes. 6.

Our Caribbean exploits supply endless food for criticism.

THE TREATY VETO OF THE AMERICAN SENATE. By Denna F. Fleming. New York: Putnam, 1930, 334 pp. $3.00.

This scientific study of the handling of treaties by the Senate has long been needed, and should be of considerable aid to the student of American foreign relations.

INVESTMENTS OF UNITED STATES CAPITAL IN LATIN AMERICA. By Max Winkler. Boston: World Peace Foundation, 1929, 297 pp. $2.00.

Surveying American investments in each Latin American country, the writer of this valuable monograph shows how far-reaching the American economic interest in the countries to the south has become.

## *The World War*

THE WORLD CRISIS, 1914–1918. By Elie Halévy. New York: Oxford University Press, 1930, 57 pp. $2.00.

Discounting the Ludwigian thesis of the responsibility of individual statesmen, a brilliant French historian seeks to uncover the great movements that contributed to the breaking of the storm.

LA GRANDE GUERRE. By G. Alvin and P. Tuffran. Paris: Gauthier-Villars, 1930, 312 pp. Fr. 80.

One of the better French texts.

GENERÄLE, HÄNDLER UND SOLDATEN. By Maxim and Herman Ziese. Berlin: Frundsberg Verlag, 1930, 261 pp. M. 7.50.

These German authors get considerable satisfaction from exposing the unsavory trade relations which existed between England on the one hand and Germany and the neutrals on the other in spite of the war.

SI NAPOLÉON EN 1914. By J. M. Bourget. Paris: La Nouvelle Revue, 1930, 222 pp. Fr. 13.50.

A semi-humorous but very enlightening dialogue between Foch and the resurrected Napoleon.

LA CAVALERIE FRANÇAISE DANS LA GUERRE MONDIALE. By Capitain Gazin. Paris: Payot, 1930, Fr. 40.

The only complete study of the rôle of the cavalry.

DIE ENGLISCHE FLOTTENPOLITIK VOR DEM WELTKRIEGE. By Fritz Uplegger. Stuttgart: Kohlhammer, 1930, 129 pp. M. 6.

A scholarly treatment of German naval policy from 1900 to 1910, based upon the German documents.

OESTERREICH-UNGARNS SEEKRIEG. By Hans Sokol. Vienna: Amalthea, 1930, 184 pp. M. 26.

A valuable contribution to the history of the war in the Adriatic, published under the auspices of the Austrian Government.

LA BATTAGLIA DEL PIAVE. By Amelio Dupont. Rome: Littorio, 1929, 214 pp. L. 10.

The best general account of this important engagement.

VITTORIO VENETO. By Amelio Dupont. Rome: Littorio, 1930, 324 pp. L. 14.

Another good and readable volume in the same series as the preceding.

GALLIPOLI MEMORIES. By Compton MacKenzie. New York: Doubleday, Doran, 1930, 387 pp. $2.50.

The recollections of an English novelist who served as an intelligence officer during the campaign.

LECTURES ON THE MESOPOTAMIAN CAMPAIGN. By Lieutenant B. B. More. Baroda, 1930, Rs. 2/8.

A good general account, by the former military secretary of the general commanding the Baroda army.

POUVAIT-ON SIGNER L'ARMISTICE À BERLIN? By General Mordacq. Paris: Grasset, 1930, 400 pp. Fr. 15.

Mordacq was formerly chief of Clemenceau's military cabinet and has written extensively on the military problems of the later period of the war. This volume, like his others, is well written and provocative; it comes very opportunely at a time when the Clemenceau–Foch feud is being fought out by the followers of the two men. Mordacq goes into considerable detail in discussing the projected offensive in Lorraine, which did not materialize because of the signature of the armistice. He maintains that the preparations were so complete that the drive could have been started several days before the armistice and believes that it would have been completely successful. Foch, however, wanted to close with the German negotiators, and, as a matter of fact, the terms of the armistice were quite sufficient to ensure the acceptance of any peace terms by the Germans, in Mordacq's opinion. The chances are that the armistice, even if signed at Berlin, would not have secured more for France at the peace settlement, for the difficulties arose not from the inadequate whipping of the Germans, but from interests of the Allies that were not the interests of France.

ESPIONAGE! By H. R. Berndorff. New York: Appleton, 1930, 268 pp. $2.50.

Better reading than any detective novel.

## *Western Europe*

PROZESS DER DIKTATUR. Edited by Otto Forst de Battaglia. Vienna: Amalthea, 1930, 145 pp. M. 12.

Essays by German and foreign authorities reviewing the dictatorships in seven European countries in their relation to religion, liberalism, democracy, socialism, economic life, science, etc. The essay on foreign policy is by Sauerwein.

MAKERS OF MODERN EUROPE. By Carlo Sforza. Indianapolis: Bobbs-Merrill, 1930, 420 pp. $5.00.

The former Italian Foreign Minister gives interesting recollections and impressions of Europe's leading figures as he came to know them during his long and varied experience.

CONTINENTAL STATESMEN. By George Glasgow. London: Bles, 1930, 238 pp. 10/6.

Interesting character sketches and appreciations by a well-known writer and advocate of international understanding.

MÄNNER UND MÄCHTE DER GEGENWART. By Valerin Marcu. Berlin: Kiepenheuer, 1930, 259, M. 5.

More of the same thing, by the author of the biography of Lenin.

GRANDEUR AND MISERY OF VICTORY. By Georges Clemenceau. New York: Harcourt, Brace, 1930, 432 pp. $5.00.

An angry book, by an old, old man. The Tiger, like Bismarck, spent the last years of his life in bemoaning the destruction of his work, and this volume may well be compared to the third volume of Bismarck's memoirs. But Clemenceau, the disillusioned skeptic and agnostic, would probably have taken his bitterness with him to the grave had it not been for the publication of Foch's conversations with Recouly, which brought the blood of the old fighter to the boil. The full details of the personal differences between the two men present an extremely unedifying picture. The importance of the present volume lies chiefly in the discussion of Clemenceau's attitude toward the peace settlement and the demands raised by Foch and Poincaré. Clemenceau certainly deserves credit for having resisted the dangerous demand for the Rhine frontier, though little enough can be said for his unbending and unrelenting attitude towards those who, after the war, tried to restore international confidence. The book may not enhance his reputation, but it is a true reflection of the man, with all his greatness and all his narrow bigotry. He may not have been a good subject for hero worship, but he was a personality.

CLEMENCEAU. By Jean Martet. New York: Longmans, Green, 1930, 364 pp. $5.00.

This book has been overshadowed by Clemenceau's own volume. It contains interesting conversations between the late statesman and his secretary, bearing chiefly upon the war and the peace. As such it supplements what the Tiger himself has written.

THE TIGER: GEORGES CLEMENCEAU. By George Adam. London: Cape, 1930, 290 pp. 10/6.

A good general account of the French statesman, reviewing his entire political career in a light and uncritical manner.

LA VIE ORGUEILLEUSE DE GEORGES CLEMENCEAU. By Georges Suarez. Paris: Editions de France, 1930, 700 pp. Fr. 25.

The most complete and on the whole probably the best biography, written in a vein of strong human sympathy.

RAYMOND POINCARÉ. By Léon Daudet. Paris: Capitole, 1930, 208 pp. Fr. 30.

Daudet never wrote a dull book, and this scornful attack on Poincaré is in his best vein.

ARISTIDE BRIAND. By J. S. de Givet. Paris: Editions Promethée, 1930, Fr. 9.

A real nationalist view of Briand, whose internationalist leanings are of course responsible for all the woes of France.

L'EXPÉRIENCE DE 1924. By Jacques Bardoux. Paris: Firmin-Didot, 1930, 307 pp. Fr. 15.

A violent polemic against Herriot; the "truth" about his conversations with MacDonald.

LA LIQUIDATION DE LA VICTOIRE. By JAMES DONNADIEU. Paris: Tallandier, 1930, 256 pp. Fr. 12.

The first of a series of volumes on the peace. The author here reveals the designs and machinations of the Germans in the Saar and exposes the disastrous policy of the French Government.

THE PUBLIC FINANCE OF POST-WAR FRANCE. By ROBERT M. HAIG. New York: Columbia University Press, 1929, 463 pp. $5.50.

One of the admirable treatises in the "Social and Economic Studies of Post-War France."

EL MOMENTO CONSTITUCIONAL. By FRANCISCO VILLANEUVA. Madrid: Morata, 1929, 390 pp. Pes. 5.

An account of the opposition's activities to abolish the Spanish dictatorship.

LA CONSTITUCIÓN QUE PRECISA ESPAÑA. By VICENTE DE ROIG IBAÑEZ. Madrid: Pueyo, 1929, 253 pp. Pes. 4.

The Liberal program.

THE LIFE AND WORK OF BENITO MUSSOLINI. By L. KEMECHY. London: Williams and Norgate, 1930, 280 pp. 12/6.

Translation from the Hungarian of one of the best biographies of the dictator.

A REVOLUTION AND ITS LEADER. By AGUSTO TURATI. London: Alexander-Ouseley, 1930, 206 pp. 10/6.

Speeches on various aspects of the Fascist movement by one of the highest officials of the party.

L'ITALIA DI MUSSOLINI E GLI ITALIANI D'OGGI. By G. SQUADRILLI. Rome: Pinciana, 1930, 312 pp. L. 20.

An up-to-date survey.

CAPITAL AND LABOR UNDER FASCISM. By CARMEN HAIDER. New York: Columbia University Press, 1930, 296 pp. $4.50.

An excellent monograph, based upon documentary material, personal observation and consultation with adherents and opponents of the régime.

IL NOSTRO MARE. By L. BERTONELLI. Florence: Bemporad, 1930, 150 pp. L. 10.

Really an introductory study of Mediterranean problems as they affect Italy, written from the Fascist standpoint.

LA QUESTION DES MINORITÉS ENTRE L'ITALIE ET LA YOUGOSLAVIE. By PIERRE JAQUIN. Paris: Sirey, 1929, 220 pp. Fr. 30.

Not propaganda, but a serious study of the problem.

SAINT-SIÈGE ET FASCISME. By CHARLES LOISEAU. Paris: Gamber, 1930, 240 pp. Fr. 20.

This is one of the most competent books on the Roman question. The author begins with the usual survey of the development of the problem after the occupation of Rome in 1870 and follows up this rather conventional account with a detailed and valuable review of the position of the Papacy during and after the World War. Considerable stress is laid on the relations of the Holy See with the Fascist Government and on the policy of Pius XI. The most important part of the volume, however, is the analysis of the Lateran Treaties and the discussion of their probable political and religious results. The writer stresses particularly the implications of the agreements and the disputes which arose almost immediately from them. He is clearly skeptical as to the possibility of coming to a definitive understanding and points out that one of the chief weaknesses of the treaties is that they attempt to settle by national agreement a problem which is and always has been essentially an international question.

L'ORGANISATION INTERNATIONALE DU MONDE CONTEMPORAIN ET LA PAPAUTÉ SOUVERAINE. By R. P. Yves de la Brière. Third series. Paris: Spes, 1930, Fr. 20.

This latest part of a well-known work covers the years 1927–1929 and discusses not only the Lateran Treaties but the efforts of the Papacy to conclude concordats with the various European states.

DATE A CESARE —. By Mario Missiroli. Rome: Littorio, 1929, 462 pp. L. 20.

A fervent defense of the Fascist standpoint in the dispute with the Papacy after the signing of the treaty. The author publishes the original demands of the Holy See of 1926 to prove how good were the terms finally secured by the Government.

DATE A DIO. Anonymous. Vatican City: Osservatore Romano, 1930, 160 pp. L. 3.

An effective reply to the preceding.

GESAMMELTE REDEN. By Eugenio Pacelli. Berlin: Germania, 1930, 190 pp. M. 6.50.

These speeches of the former Nuncio to Munich and Berlin, now Papal Secretary of State, are largely concerned with questions of international peace and with the position of the Papacy.

THE BIOGRAPHY OF PRESIDENT VON HINDENBURG. By Rudolph Weterstetten and A. M. K. Watson. New York: Macmillan, 1930, 276 pp. $2.50.

A sympathetic biography in which the civil as well as the military career of the German President is given due consideration.

STRESEMANN. By Heinrich Bauer. Berlin: Stilke, 1930, 268 pp. M. 5.

A biography written with the consent and aid of the late statesman, but hardly more than a rhapsodical panegyric.

STRESEMANN. By Rudolf Olden. Berlin: Rowohlt, 1930, 275 pp. M. 6.

A splendid essay on the career of the late German statesman; a book written with understanding and psychological grasp.

DIE DEUTSCHEN LÄNDER IN DER AUSSENPOLITIK. By Kurt H. Wahl. Stuttgart: Enke, 1930, 162 pp. M. 12.80.

The author studies the treaty-making power of the German lands under the Weimar Constitution and its effect on German foreign policy.

DIE ROTHE ARMEE AN RUHR UND RHEIN. By Hans Spethmann. Berlin: Hobbing, 1930, 251 pp. M. 5.20.

An important contribution to the history of the Kapp Putsch of 1920.

DIE DEUTSCHEN TRIBUTE. By Edgar Salin. Berlin: Hobbing, 1930, 248 pp. M. 4.80.

A series of addresses by an eminent authority, dealing with the origin and content of the reparations provisions.

THE RISE AND FALL OF GERMANY'S COLONIAL EMPIRE. By Mary E. Townsend. New York: Macmillan, 1930, 442 pp. $5.00.

An excellent scholarly study of Germany's short-lived empire.

DIE ENTDEUTSCHUNG WESTPREUSSENS UND POSENS. By Hermann Rauschning. Berlin: Hobbing, 1930, 405 pp. M. 10.

A critical account of Polish policy during the past decade.

FRAGMENTS OF A POLITICAL DIARY. By Joseph M. Baernreither. New York: Macmillan, 1930, 322 pp.

The notes of an outstanding politician of pre-war Austria, dealing with his country's policy toward its Slav subjects. This important book for the study of the question of war origins is edited by Dr. Baernreiher's friend Dr. Joseph Redlich.

DER KAMPF UM DIE OESTERREICHISCHE VERFASSUNG. By Ignaz Seipel. Vienna: Braumüller, 1930, 379 pp. M. 10.

Speeches and essays by the Austrian statesman.

SWEDEN, NORWAY, DENMARK, AND ICELAND IN THE WORLD WAR. By E. F. Heckscher, K. Bergendal, W. Keilhau, E. Cohn and T. Thorsteinsson. New Haven: Yale University Press, 1930, 593 pp. $5.75.

This volume in the Carnegie series is the most authoritative study of the important Scandinavian neutrals during the world conflict.

## *Eastern Europe*

PRESIDENT MASARYK. By C. J. C. Street. London: Bles, 1930, 256 pp. 7/6.

Masaryk in the setting of the Czech resurrection.

MASARYK OF CZECHOSLOVAKIA. By Donald A. Lowrie. New York: Oxford University Press, 1930, 216 pp. 3/6.

A character study that comes very near to hero worship.

MASARYK. By Ernst Rychnovsky. Prag: Staatliche Verlagsanstalt, 1930, 338 pp. Kc. 35.

One of the best of the books about the Czech statesman published on the occasion of his eightieth birthday.

DAS WERDEN EINES VOLKES UND DER WEG EINES MANNES. By Fritz Weil. Dresden: Reissner, 1930, 265 pp. M. 6.

A good critical review of the career of Beneš.

FÜR UNGARN GEGEN HOHENZOLLERN. By Theodor Graf Batthyány. Vienna: Amalthea, 1930, 261 pp. M. 7.

Really an autobiography in which the Hungarian statesman expounds his policy of Hungary for the Hungarians as against the influence of both Hapsburgs and Hohenzollerns.

LES CONSCIENCES SE REVEILLENT. By Paul and Jean Lebourg. Paris: Delpeuch, 1930, 148 pp. Fr. 10.

An essay on Hungary's claims.

BRITAIN AND THE BALTIC. By E. W. Polson Newman. London: Methuen, 1930, 276 pp. 10/6.

The situation in the Baltic states is perhaps less known than that in any of the critical areas of the world, and relatively little attention continues to be paid to it. This new book gives a complete survey of the Baltic problem. Basing his observations and arguments on an extended tour of the region, the author surveys in turn the outstanding questions in the history and politics of the various new states, concentrating quite naturally on the two crucial points, Vilna and Danzig. Like many thoughtful people, he feels that the world is allowing itself to be rocked into a sense of false security by the efforts made to outlaw war. There is not much of the international viewpoint in these new states, which have only just recently awaked to national consciousness, and the world must therefore be prepared for trouble in eastern Europe unless some constructive policy is worked out. Newman stresses especially the danger of an eventual Russian-German combination directed against these new states, particularly Poland, for he does not believe that the Russian bear has changed his skin, or that the Soviet Government will be able to avoid permanently the great question of securing access to the Baltic.

ABOUT RUSSIA. By Ernest J. P. Benn. London: Benn, 1930, 168 pp. 6/-.

This might well have been called "Around Russia," for it surveys chiefly the situation in the Baltic states and their attitude towards their colossal and dangerous neighbor.

GROSSFÜRST NIKOLAI NIKOLAJEWITSCH. By Juri Daniloff. Berlin: Schröder, 1930, 321 pp. M. 8.

A panegyric of the Russian commander, by the former Quartermaster General of the Russian armies.

MY LIFE. By Leon Trotsky. New York: Scribner, 1930, 613 pp. $5.00.

Trotsky, like Clemenceau, has felt moved to take up the cudgels in his own behalf against his enemy and against those who, in his opinion, have undermined and destroyed the work which he and Lenin accomplished. But Trotsky writes with a certain grim humor. He is not wholly hopeless, not entirely embittered. The book is an intensely human document, in which one of the most dramatic careers of our day is recounted in detail, from the author's youth through his early revolutionary activities, the first soviet of 1905, the subversive propaganda of the war years and the Bolshevik Revolution of 1917. Much of the book is, naturally, taken up with the author's polemic against Stalin and the disintegration of the policy marked out by Lenin, but the main lines of this dispute have been long known and Trotsky does not add much beyond some ringing phrases. One may not want to rank him as a really great man, but his book is an interesting and very valuable contribution to the recent history of Russia, full of facts and of revealing judgments of men.

OCHRANA. By Alexei T. Wassiljew. Vienna: Amalthea, 1930, 331 pp. M. 8.

The sensational activities of the secret police of the old régime, from the papers of the last director of police.

BOLCHEVIKI I ARMIIA V 1905–1917. By M. I. Akhun and V. A. Petrov. Leningrad: Krasnaia Gaseta, 1929, 348 pp.

A highly instructive account of the Bolshevik propaganda among the troops before and during the war.

OKTIABRSKAIA REVOLUTSIIA. By M. N. Pokrovski. Moscow: Kommunisticheskaia Akademiia, 1929, 419 pp.

A collection of articles written by the eminent Bolshevik historian.

SOVIET RUSSIA. By William H. Chamberlin. Boston: Little, Brown, 1930, 461 pp. $5.00.

One of the best accounts of Soviet Russia, written in a spirit of detachment by the correspondent of the *Christian Science Monitor*, who has traveled widely throughout Russia during the past ten years.

MOSCOW UNMASKED. By Joseph Douillet. London: Pilot Press, 1930, 10/6.

The late Belgian consul gives his observations and impressions of Russia after nine years there.

LA RUSSIE EN EXIL. By Jean Delage. Paris: Delagrave, 1930, 250 pp. Fr. 12.

The author studies the difficult international situation of Soviet Russia.

ECONOMIC TRENDS IN SOVIET RUSSIA. By A. Yugoff. London: Allen and Unwin, 1930, 350 pp. 12/6.

The translation of an admirable and well-documented Russian work which sets forth the futility of the Bolshevik efforts at socialization.

RUSSIAN CO-OPERATION ABROAD. By N. Barou. London: King, 1930, 96 pp. 2/6.

A treatise on the development of Russian foreign trade since 1912.

SOVIET ECONOMIC DEVELOPMENT AND AMERICAN BUSINESS. By Saul G. Bron. New York: Liveright, 1930, 160 pp. $1.50.

An authoritative Bolshevik statement, by one of the officials of the Amtorg in New York.

GRÜNDUNG UND AUFBAU DER KOMMUNISTISCHEN JUGENDINTERNATIONALE. By Alfred Kurella. Berlin: Verlag der Jugendinternationale, 1930, 253 pp. M. 2.

An interesting account of the efforts being made to educate the youth of the proletariat in the ways of Bolshevism.

IMPERIALISTISCHER KREUZZUG GEGEN DEN KOMMUNISMUS. By S. Daszynski. Hamburg: Hoym, 1929, 240, M. 2.

This translation from the Russian expresses very well the prevalent fear of a capitalist crusade against the Soviets.

DVA GADY NATSIANALNAI RABOTI OU B.S.S.R. Minsk: Natsianalnai Kommissii, 1929, 168 pp.

Two years of the nationalities policy of the Soviet Republic of Ruthenia.

H. BARBUSSE, LES SOVIETS ET LA GÉORGIE. By D. Charachidzé. Paris: Pascal, 1930, Fr. 12.

A Georgian writes an able reply to Barbusse's book defending the Bolshevik policy in Transcaucasia.

LE CAUCASE ET LA RÉVOLUTION RUSSE. By Haidar Bammate. Paris: Union Nationale des Emigrés de la République du Caucase du Nord, 1929, 72 pp.

Throws considerable light on the political side of the revolution in this remote area.

LES ÉTATS BALKANIQUES. By C. Evelpidi. Paris: Rousseau, 1930, 395 pp. Fr. 40.

A comparative survey, with the emphasis on the non-political problems.

DAS ERBE VON VERSAILLES. By Italo Zingarelli. Vienna: Amalthea, 1930, 405 pp. M. 9.

An Italian correspondent surveys the wreckage in Central Europe and the Balkans.

LA GRANDE GUERRE DANS LES BALKANS. By M. Larcher. Paris: Payot, 1930, Fr. 30.

A good book, describing the lack of coördination of Allied policy in this theatre, and the inadequate understanding of its importance.

L'OCCUPATION ENNEMIE DE LA ROUMANIE ET SES CONSÉQUENCES ECONOMIQUES ET SOCIALES. By G. Antipa. New Haven: Yale University Press, 1930, 185 pp.

A volume in the Carnegie series, which throws much light not only on the methods of the German command, but also on the difficult problem of Rumanian reconstruction.

LA ROUMANIE ET LA RÉPARATION DES DOMMAGES DE GUERRE. By Paul Sterian. Paris: Librairie Générale de Droit, 1929, 133 pp.

A doctoral dissertation.

RUMANIA'S NEW ECONOMIC POLICY. By Virgil Madgearu. London: King, 1930, 63 pp. 5/-.

The Rumanian Minister of Finance explains the attitude of the present régime toward agriculture, tariff, foreign capital, etc.

DIE AUSWÄRTIGE POLITIK SERBIENS. By Milos Bogitschewitsch. Berlin: Brückenverlag, 1929, 617 pp. M. 17.

A second collection of documents bearing on Serbia's pre-war policy.

L'ALBANIE DEVANT L'EUROPE. By Albert Mousset. Paris: Delagrave, 1930, 128 pp. Fr. 7.50.

One of the foremost French writers on Balkan affairs reviews the political and social evolution of Albania since 1912, stressing what he regards as the mistaken connection which has been developed with Italy.

L'ÉCHANGE OBLIGATOIRE DES MINORITÉS GRECQUES ET TURQUES. By Alexander M. Devedji. Paris: Editions et Publications Contemporaines, 1930, 230 pp. Fr. 30.

An exhaustive study of this important phase of Near Eastern politics.

## *The British Commonwealth of Nations*

ENGLAND. By Wilhelm Dibelius. New York: Harper, 1930, 569 pp. $5.00.

An interesting and able general study of contemporary English life, institutions and problems.

L'EMPIRE BRITANNIQUE. By J. Magnan de Bornier. Paris: Melhelinck, 1930, 306 pp. Fr. 40.

A concise survey, written without inspiration.

MR. LLOYD GEORGE: A STUDY. By Sir Charles Mallet. London: Benn, 1930, 314 pp. 9/-.

A Liberal criticism of Lloyd George as a Liberal leader.

SIR ARTHUR NICOLSON, FIRST LORD CARNOCK. By Harold Nicolson. London: Constable, 1930, 456 pp. 21/-.

A beautifully written account of the career of an important English diplomat, and of his times.

EARL BEATTY, ADMIRAL OF THE FLEET. By Geoffrey Rawson. London: Jarrolds, 1930, 256 pp. 12/6.

A straightforward narrative of one of the most remarkable careers in British naval history.

DOMINION AUTONOMY IN PRACTICE. By A. B. Keith. New York: Oxford University Press, 1930, 98 pp. $2.00.

This new edition of a splendid little work takes into account the epoch-making changes of the last few years.

IMPERIAL ECONOMIC UNITY. By Lord Melchett. London: Harrap, 1930, 196 pp. 2/6.

The views of a prominent industrialist.

WAR OR PEACE? By V. H. Rutherford. London: Williams and Norgate, 1930, 96 pp. 2/6.

This spirited attack on imperialism, high tariffs and armaments should be read in connection with the recent books of Roosevelt and Denny.

CHANGING CONDITIONS OF IMPERIAL DEFENCE. By Captain D. H. Cole. London: Sifton Praed, 1930, 184 pp. 6/6.

Really an introductory discussion of the great problems of world politics, with special reference to the position of the Empire.

WITH MICHAEL COLLINS IN THE FIGHT FOR IRISH INDEPENDENCE. By B. O'Connor. London: Davies, 1930, 196 pp. 6/-.

A readable but partisan account of the Irish troubles.

INDIA: PEACE OR WAR? By C. S. Ranga Iyer. London: Harrap, 1930, 256 pp. 7/6.

One of the moderate members of the Indian Legislative Assembly makes out a strong case for eventual dominion status.

MY MOTHER'S PICTURE. By Syam S. Chakravarty. London: Thacker, 1930, 255 pp. 7/6.

An uncompromising defense of Hindu orthodoxy and the good old India, written with reference to Miss Mayo's attack.

THE CASE FOR INDIA. By John S. Hoyland. New York: Dutton, 1929, 180 pp. $2.00.

An eloquent plea in behalf of the Indian standpoint, written on the basis of fifteen years' experience in India.

SWARAJ—CULTURAL AND POLITICAL. By Pramatha N. Bose. Calcutta: Newman, 1929, 290 pp. Rs. 4.

The extreme nationalist view.

RESPONSIBLE GOVERNMENT AND THE SOLUTION OF THE HINDU-MOSLEM PROBLEM. By Syed Tofail Ahmad. Budaun: Nizama, 1929, 157 pp. Rs. 1.8.

Interesting for the Moslem viewpoint, especially as the author favors dominion status.

NEW ZEALAND IN THE MAKING. By J. B. Condliffe. Chicago: Chicago University Press, 1930, 524 pp. $5.00.

Probably the best current study of New Zealand and her problems, written by the research secretary of the Institute of Pacific Relations. There is an excellent chapter on imperialism and foreign affairs.

## *The Near East*

TURKEY IN THE WORLD WAR. By Ahmed Emin. New Haven: Yale University Press, 1930, 310 pp. $3.25.

This volume in the Carnegie series fills an important niche, for, as students of the war know only too well, the dearth of reliable information on what went on behind the Turkish lines presents an almost insuperable obstacle in the way of understanding the Near Eastern phase of the great conflict. The author of this volume points out in the preface that it is difficult even now to secure the necessary material for an adequate study. In statistics the Ottoman Government was hopelessly negligent. Nevertheless the present volume helps considerably to overcome the existing deficiency of information. The writer, a trained statistician and economist, not only spent the whole war period in Turkey but maintained close contacts with the intellectual leaders and the most prominent nationalist statesmen. After tracing the breakdown of the old régime and the rise of the Young Turks in the introductory chapters, he surveys the various aspects of the economic phase of the war, takes up the racial problems, the questions of reform, education and health, and ends with a succinct analysis of the new nationalist movement. An invaluable book for students of Near Eastern affairs.

TURKEY AND SYRIA REBORN. By Harold Armstrong. London: Lane, 1930, 270 pp. 15/-.

The author's "Turkey in Travail" is well-known. In this new volume he sums up his impressions of two more years of travel. This is one of the sanest and soundest accounts of the present stage in Turkish development.

KAMPF UM SUEZ. By Ernst Reinhard. Dresden: Kaden, 1930, 328 pp. M. 4.50.

A general study of the importance of the Canal and its place in international relations.

LA SYRIE CONTEMPORAINE. By Noel Maestracci. Paris: Charles-Lavauzelle, 1930, 228 pp. Fr. 16.

A general descriptive work.

IL MANDATO FRANCESE IN SIRIA DALLE SUE ORIGINE AL 1929. By S. Nava. Padua: Studi Coloniali, 1930, 269 pp. L. 37.

A careful, scholarly history of the French period.

UNHOLY MEMORIES OF THE HOLY LAND. By Horace B. Samuel. London: Hogarth, 1930, 314 pp. 15/-.

A provocative book on the British administration, written on the basis of a long official experience.

A FEW WORDS ON THE ANGLO-EGYPTIAN SETTLEMENT. By Abbas Hilmi II. London: Allen and Unwin, 1930, 106 pp. 4/6.

The former Khedive surveys the present situation and urges the maintenance of friendly relations between England and Egypt.

AROUND THE COASTS OF ARABIA. By Ameen F. Rihani. Boston: Houghton, Mifflin, 1930, 374 pp. $6.00.

The well-known Arab-American recounts his observations on an extensive trip around Arabia. The book is full of interesting information on the little-known states of the eastern and Persian Gulf coasts.

THROUGH AMANULLAH'S AFGHANISTAN. By Sorab K. Katrak. London: Luzac, 1930, 415 pp. 10/-.

An entertaining and instructive travel book.

## *Africa*

L'ALGÉRIE FRANÇAISE. By Victor Piquet. Paris: Colin, 1930, 432 pp. Fr. 35.

A general review of the century of French rule since the conquest.

L'ISLAM ET LES MUSULMANS DANS L'AFRIQUE DU NORD. By Eugène Jung. Paris: Editions de la Jeune Parque, 1930, 100 pp. Fr. 10.

A stimulating essay on the religious aspect of French rule, by one of the best writers on the problems of the Islamic world.

AFRICA'S LAST EMPIRE. By Hermann Norden. London: Witherby, 1930, 240 pp. 15/-.

An American's experiences in Abyssinia, not intended to prove anything.

AFRICA AND SOME WORLD PROBLEMS. By General Jan Christian Smuts. New York: Oxford University Press, 1930, 184 pp. $2.50.

A series of lectures by the eminent South African statesman on the problems of Africa and such questions as democracy, the League and world peace.

WHITE AND BLACK IN AFRICA. By Joseph H. Oldham. New York: Longmans, 1930, 79 pp. 75¢.

An effective criticism of Smuts's views on the native problem in South Africa.

GENERAL HERTZOG. By L. E. Neame. London: Hurst, 1930, 288 pp. 18/-.

An eminently fair, though hardly sympathetic treatment of the Hertzog policies and the Boer viewpoint.

## *The Far East*

THE EURASIAN PROBLEM. By Kenneth E. Wallace. London: Thacker, 1930, 176 pp. 3/6.

A discussion of the knotty question of the position of European residents in the Far East, and their relation to the native population.

FOULES D'ASIE. By Etienne Dennery. Paris: Colin, 1930, 256 pp. Fr. 15.

An important book, written by a competent authority and discussing the whole complex of population problems which lie at the bottom of the Far Eastern question.

SIBIRIEN: EIN ANDERES AMERIKA. By Otto Heller. Berlin: Neuer Deutscher Verlag, 1930, 256 pp. M. 3.50.

An enthusiastic account of the work done by the Bolsheviks in opening up Siberia.

**4600 JAHRE CHINA.** By Kuo Shien-Yen and Karl Hinkel. Göttingen: Oeffentliches Leben, 1930, 133 pp. M. 3.

Most of the 4,600 years are dealt with in summary fashion, and the book is devoted primarily to the current political, economic and cultural problems.

**SUN YAT SEN.** By Wou Sao Fong. Paris: Presses Universitaires, 1930, 220 pp. Fr. 25.

A careful analysis of the historical, philosophical, political, economic and social teaching of the great Chinese leader.

**TSINGTAU UNDER THREE FLAGS.** By W. L. Godshall. New York: Stechert, 1929, 380 pp. $5.50.

An extensive study of the famous base under German, Japanese and Chinese administration.

**THE FOREIGN PUBLIC DEBT OF CHINA.** By Arthur G. Coons. Philadelphia: University of Pennsylvania Press, 1930, 251 pp. $3.00.

A scholarly monograph, which deals not only with China's indebtedness, but also with her capacity to pay.

**LE SYSTÈME FISCAL DE LA CHINE.** By Wen Ching Yin. Paris: Editions et Publications Contemporaines, 1930, 212 pp. Fr. 35.

A historical approach to the fiscal system, with a detailed exposition of the present organization.

**SOVREMENNOE SOSTOIANIE KITAISKOI REVOLUTSII.** By L. Madiar. Moscow: Kommunisticheskaia Akademia, 1929, 84 pp.

The present situation in China as viewed from Moscow.

## *Miscellaneous*

**THE BANK FOR INTERNATIONAL SETTLEMENTS.** By Paul Einzig. New York: Macmillan, 1930, 179 pp. $3.00.

A valuable contribution to the discussion of the organization and function of the bank.

**LE PROBLÈME D'UNE MONNAIE INTERNATIONALE.** By D. O. Blagoyevitch. Paris: Editions et Publications Contemporaines, 1930, 185 pp. Fr. 30.

The author is concerned primarily with the history of the scheme.

**THE INTERNATIONAL PROTECTION OF INDUSTRIAL PROPERTY.** By Stephen P. Ladas. Cambridge: Harvard University Press, 1930, 987 pp. $7.50.

An indispensable volume for those interested in the legal aspects of foreign trade.

**A NEW ECONOMIC ORDER.** Edited by Kirby Page. New York: Harcourt, Brace, 1930, 387 pp. $3.00.

A collection of essays dealing with questions like capitalism, Fascism, communism and socialism.

**DIE ZOELLE NIEDER.** By Wilhelm Grotkopp. Berlin: Rothschild, 1930, 141 pp. M. 5.

Another indictment of the present high tariff systems.

**OIL AND PEACE.** By L. Vernon Gibbs. Los Angeles: Parker, Stone and Baird, 1930, 204 pp. $3.00.

An attack on the British oil interests.

**THE PROBLEM OF OIL.** By Christopher T. Brunner. London: Benn, 1930, 232 pp. 15/-.

An excellent discussion of the world oil situation as viewed from the British angle.

# SOURCE MATERIAL

*By Denys P. Myers*

## PUBLIC DOCUMENTS OFFICIALLY PRINTED

*Documents may be procured from the following: United States:* Gov't Printing Office, Superintendent of Documents, Washington, D. C. *Great Britain:* British Library of Information, 551 Fifth Ave., New York. *France:* Gaulon & Fils, 39 rue Madame, Paris (6$^e$). *League of Nations, Int. Labor Office and Perm. Court of Int. Justice:* World Peace Foundation, 40 Mt. Vernon St., Boston. Washington imprints are Government Printing Office and London imprints are His Majesty's Stationery Office, unless otherwise noted.

### ARBITRATION AND CONCILIATION

TRAIL SMELTER Reference. Statement on behalf of the Government of the United States before the International Joint Commission, based upon the Testimony, given at the Hearing beginning January 22, 1930, Washington, D. C., with the Applicable Law. Washington, 1930. 65 p. 23¼ cm. (Publications of the Department of State, No. 43.)

TREATY between the United States and Lithuania. Arbitration. Signed at Washington, November 14, 1928. Washington, 1930. 2 p. 23¼ cm. (Treaty Series, No. 809.)

TREATY between the United States and Lithuania. Conciliation. Signed at Washington, November 14, 1928. Washington, 1930. 3 p. 23¼ cm. (Treaty Series, No. 810.)

TREATY between the United States and Poland. Arbitration. Signed at Washington, August 16, 1928. Washington, 1930. 4 p. 23¼ cm. (Treaty Series, No. 805.)

TREATY between the United States and Poland. Conciliation. Signed at Washington, August 16, 1928. Washington, 1930. 4 p. 23¼ cm. (Treaty Series, No. 806.)

### AUTOMOBILE TRAFFIC

INTERNATIONAL Convention relative to Motor Traffic, Paris, April 24, 1926. London, 1930. 42 p. 24½ cm. (Treaty Series, No. 11 (1930). Cmd. 3510.) 9d.

### BILLS OF EXCHANGE AND CURRENCY

INTERNATIONAL Conference for the Unification of Laws on Bills of Exchange, Promissory Notes and Cheques. Geneva, May 13, 1930. Preparatory Documents. Addendum. Geneva, 1930. 5 p. 33 cm. (League of Nations, C. 234. M. 83. 1929. II. 28. Addendum.)

PROCEEDINGS of the International Conference for the Adoption of a Convention for the Suppression of Counterfeiting Currency. Geneva, April 9 to 20, 1929. Geneva, 1930. 302 p. 33 cm. (League of Nations, C. 328. M. 114. 1929. II. 48.)

### BOLIVIA AND PARAGUAY

CORRESPONDENCE relating to the Dispute between Bolivia and Paraguay. Geneva, 1930. 7 p. 33 cm. (League of Nations, C. 122. M. 40. 1930. VII. 1.)

### BOUNDARIES

AGREEMENT between His Majesty's Government in the United Kingdom and the Brazilian Government for the demarcation of the Boundary between British Guiana and Brazil. London, March 18, 1930. London, 1930. 6 p. 24½ cm. (Treaty Series, No. 15 (1930). Cmd. 3538.)

EXCHANGE of Notes between His Majesty's Government in the United Kingdom and the Liberian Government regarding the Boundary between Sierra Leone and Liberia. Monrovia, January 16/17, 1930. London, 1930. 3 p. 24½ cm. (Treaty Series, No. 17 (1930). Cmd. 3543.)

### CHINA

CHINESE Mandate of December 28, 1929, regarding Extra-territorial Rights in China and Correspondence between His Majesty's Government in the United Kingdom and the Chinese Government. London, 1930. 6 p. 24½ cm. (China, No. 1 (1930). Cmd. 3480.) 2d.

EXCHANGE of Notes between His Majesty's Government in the United Kingdom and the Chinese Government regarding the Rendition of the British Concession at Chinkiang, Nanking, October 31, 1929. London, 1930. 4 p. 24½ cm. (Treaty Series, No. 3 (1930). Cmd. 3469.) 1d.

EXCHANGE of Notes between His Majesty's Government in the United Kingdom and the Chinese Government regarding Claims for Losses sustained by British Subjects at Chinkiang in 1927, Nanking, November 9, 1929. London, 1930. 3 p. 24½ cm. (Treaty Series, No. 4 (1930).) 1d.

HEALTH Organisation. Proposals of the National Government of the Republic of China for Collaboration with the League of Nations on Health Matters. Geneva, 1930. 51 p. 33 cm. (League of Nations, C. 118. M. 38. 1930. III. 3.)

### CLAIMS

AGREEMENT between His Majesty's Government in the United Kingdom and the German Government in regard to the Liquidation of German Properties, with an Exchange of Notes on the subject. London, December 28, 1929. London, 1930. 15 p. 24½ cm. (Miscellaneous, No. 3 (1930). Cmd. 3486.) 3d.

GERMAN DEBT—Mixed Claims Awards and Army of Occupation Costs. Hearings before the Committee on Ways and Means House of Representatives. Seventy-First Congress, Second Session on H. R. 10480, A Bill to Authorize the Settlement of the Indebtedness of the German Reich to the United States on Account of the Awards of the Mixed Claims Commission, United States and Germany, and the Costs of the United States Army of Occupation. March 10, 1930. Washington, 1930. 29 p. 23¼ cm.

GERMANY. Laws, statutes, etc., March 13, 1930. . . . Gesetze über die haager conferenz und das deutsch-amerikanische schuldenabkommen. (In Reichsgesetzblatt, teil II, 19 März 1930, nr. 7, p. 39–537.)

NINTH ANNUAL Report of the Controller of the Clearing Office. The Administrator of German, Austrian, Hungarian and Bulgarian Property and the Director of the Russian Claims Department. London, 1930. 42 p. 24½ cm. 2s. 6d.

MIXED CLAIMS Commission, United States and Germany. Message from the President of the United States transmitting Report of the Secretary of the Treasury relative to the Proposed Agreement and Exchange of Notes with Germany for the Final Discharge of Obligations to the United States with Respect to the Awards made by the Mixed Claims Commission. Washington, 1930. 11 p. 23¼ cm. (71st Cong., 2d sess., Sen. Doc. No. 95.)

## COMMERCE AND NAVIGATION

AGREEMENT between His Majesty's Government in the United Kingdom and the Peruvian Government relating to the Treatment of Commercial Travellers and their Samples, Lima, December 31, 1928. London, 1930. 7 p. 24½ cm. (Treaty Series, No. 12 (1930). Cmd. 3515.) 2d.

COMMERCE and Navigation with Turkish Republic, treaty of commerce and navigation between United States and Turkey, signed Ankara (Angora), Turkey, Oct. 1, 1929, with translation of signed minutes of meeting of American and Turkish plenipotentiaries, Oct. 1, 1929. Dec. 5, 1929. 5 p. (Senate executive A, 71st Cong., 2d sess.)

CONVENTION between His Majesty and His Majesty the King of Spain regarding Legal Proceedings in Civil and Commercial Matters, London, June 27, 1929. London, 1930. 17 p. 24 cm. (Treaty Series, No. 18 (1930). Cmd. 3544.)

CONVENTION between His Majesty's Government in the Union of South Africa and the Government of the Portuguese Republic regarding Native Labour from Mozambique, Railway Matters and Commercial Intercourse, Pretoria, September 11, 1928. London, 1930. 39 p. 24½ cm. (Treaty Series, No. 9 (1930). Cmd. 3495.)

EXCHANGE of Notes between His Majesty's Governments in the United Kingdom and in the Irish Free State and the Lithuanian Government in regard to Commercial Relations as regulated by the Exchange of Notes of May 6, 1922, London, November 28/December 10, 1929. London, 1930. 3 p. 24½ cm. (Treaty Series, No. 1 (1930). Cmd. 3462.) 1d.

LIST of Commercial Treaties, Etc., with Foreign Powers, January 1, 1930. London, 1930. 45 p. 24½ cm. 1s. 9d.

TREATY of Commerce and Navigation between His Majesty in respect of the Union of South Africa and the President of the German Reich with Protocol, Pretoria, September 1, 1928. London, 1930. 24½ cm. (Treaty Series, No. 6 (1930). Cmd. 3487.) 6d.

TREATY of Commerce and Navigation between His Majesty in respect of the United Kingdom and the President of the Republic of Turkey, Angora, March 1, 1930. London, 1930. 30 p. 24½ cm. (Turkey, No. 1 (1930). Cmd. 3536.)

## CONCERTED ECONOMIC ACTION ("TARIFF TRUCE")

PRELIMINARY Conference with a view to Concerted Economic Action. Commercial Convention and Protocol, Protocol Regarding Future Negotiations, and Final Act. London, 1930. 69 p. 24½ cm. (Cmd. 3539.)

APPLICATION of the International Convention relating to the Simplification of Customs Formalities. Signed at Geneva on November 3, 1923. Measures taken by the Governments to give effect to the Provisions of the Convention. Summaries communicated by the Governments Parties to the Convention in Execution of Article 9. Geneva, 1929. 17 p. 33¼ cm. (League of Nations, C. 539. M. 193. 1929. II. 49.)

INTERNATIONAL Convention relating to Economic Statistics with Protocol. Geneva, December 14, 1928. London, 1930. 85 p. 24½ cm. (Miscellaneous, No. 5 (1930). Cmd. 3493.) 1s. 6d.

PROCEEDINGS of the International Conference relating to Economic Statistics, Geneva, November 26 to December 14, 1928. Geneva, 1929. 361 p. 33 cm. (League of Nations, C. 163. M. 64. 1929. II. 21.)

INTERNATIONAL Convention for the abolition of Import and Export Prohibitions and Restrictions with Protocol and annexed Declaration, Geneva, November 8, 1927, Supplementary Agreement, Geneva, July 11, 1928, Protocol, Paris, December 20, 1929. London, 1930. 79 p. 24½ cm. (Treaty Series, No. 10 (1930). Cmd. 3502.)

PROTOCOL concerning the entry into force of the International Convention of November 8, 1927, for the Abolition of Import and Export Prohibitions and Restrictions and of the Supplementary Agreement to the said Convention of July 11, 1928. Geneva, 1930. 5 p. 33 cm. (League of Nations, C. 8. M. 3. 1930. II. 1.)

THIRD INTERNATIONAL Conference on Hides, Skins and Bones. Held at Geneva from August 29 to September 11, 1929. Proceedings of the Conference. (For the proceedings of the first and second sessions, see documents C. 198. M. 66. 1928. II and C. 524. M. 154. 1928. II, respectively.) Geneva, 1930. 35 p. 33 cm. (League of Nations, C. 92. M. 18. 1930. II. 4.)

### COURT OF INTERNATIONAL JUSTICE, PERMANENT

ACTS and Documents Relating to Judgments and Advisory Opinions Given by the Court. Denunciation of the Treaty of November 2, 1865, between China and Belgium (Request Eventually Withdrawn). Leyden, A. W. Sijthoff's, 1930. 380 p. 24 cm. (Series C. No. 16-I. Sixteenth Session.)

PROTOCOL. Accession of the United States of America to the Protocol of Signature of the Statute of the Permanent Court of International Justice, Geneva, September 14, 1929. London, 1930. 10 p. 24½ cm. (Treaty Series, No. 13 (1930). Cmd. 3527.) 3d.

PROTOCOL for the Revision of the Statute of the Permanent Court of International Justice, Geneva, September 14, 1929. London, 1930. 21 p. 24½ cm. (Treaty Series, No. 14 (1930). Cmd. 3528.) 6d.

THE UNITED STATES and the Permanent Court of International Justice. Washington, 1930. 55 p. 23¼ cm. (Publications of the Department, No. 44.)

### COVENANT OF LEAGUE OF NATIONS

REPORT of the Committee for the Amendment of the Covenant of the League of Nations in Order to Bring It into Harmony with the Pact of Paris. Geneva, 1930. 31 p. 33 cm. (League of Nations, A. 8. 1930. V. 2.)

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### FINANCIAL

AMERICAN underwriting of foreign securities in 1929. Washington, 1930. 21 p. (Trade Information Bulletin 688.) 10 cents.

MEMORANDUM on Public Finance, 1926–1928. Geneva, 1929. 274 p. 27 cm. (League of Nations, 1929. II. 50.)

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NOTES Exchanged on the occasion of the Resumption of Diplomatic Relations with the Union of Soviet Socialist Republics, London, December 20, 1929, Moscow, December 21, 1929. London, 1930, 7 p. 24½ cm. (Treaty Series, No. 2 (1930). Cmd. 3467.) 2d.

### ICELAND

ICELAND. H. J. Res. 204, joint resolution making appropriation for participation by United States in celebration of 1000th anniversary of the Althing, national parliament of Iceland (including procurement of suitable statue or other memorial of Leif Ericsson as gift of the American people to the people of Iceland). Approved Jan. 20, 1930. 1 p. (Public resolution 31.)

### IRAQ AND PALESTINE

CONVENTION between His Majesty and His Majesty the King of Iraq and the President of the United States of America regarding the Rights of the United States and of its Nationals in Iraq, with Protocol and Exchanges of Notes, London, January 9, 1930. London, 1930. 54 p. 24½ cm. (United States, No. 1 (1930). Cmd. 3503.) 1s.

The United States Senate print is Sen. Exec. E, 71st Cong., 2d sess.

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This series consists of annual volumes, with cumulative indexes and at present one supplement of Regulations.

REPORT of the Commission on the Palestine Disturbances of August, 1929. London, 1930. 202 p. 24½ cm. (Cmd. 3530.)

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EGYPT. Central narcotics intelligence bureau. . . . Annual report. 1929. Cairo, Government Press, 1930. 105 p.

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ANNUAL Report of Governor General of Philippine Islands, 1928, message from President of United States transmitting report of governor general of Philippine Islands, including reports of heads of departments of Philippine Government, fiscal year ended December 31, 1928. 1930. v+279 p. (H. doc. 133, 71st Cong., 2d sess.) [Report of governor general covers year ended Dec. 31, 1928, and also January and February, 1929.] 30 cents.

INDEPENDENCE for the Philippine Islands. Extracts from Hearings before the Committee on Territories and Insular Affairs United States Senate Seventy-First Congress, Second Session. Statement of Hon. Manuel Roxas, Speaker of the House of Representatives of the Philippine Islands, January 15, 1930. Washington, 1930. 32 p. 23 cm.

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### REPARATION

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The foregoing with the protocol of August 31, 1929, and the Experts' Report of June 7, 1929 (Young Plan), collectively constitute the New Plan.

ENTWÜRFE zu den Gesetzen uber die Haager Konferenz und die Sonderund Liquidationsabkommen. Amtliche Ausagabe. Berlin, 1929. 75 p. 29½ cm.

GERMANY. Laws, statutes, etc., March 18, 1930. . . . Gesetz über die Abkommen zur Regelung von fragen des Teils X des Vertrags von Versailles vom 18 März 1930. (In *Reichsgesetzblatt*, Teil II, 24 März 1930, nr. 8, p. 539.)

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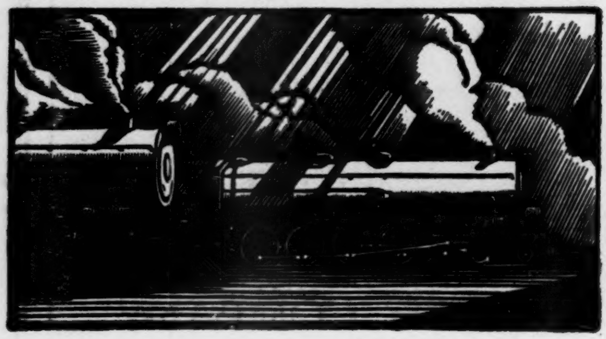

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Before me, a Notary Public in and for the State and county aforesaid, personally appeared F. D. Caruthers, Jr., who, having been duly sworn according to law, deposes and says that he is the Business Manager of Foreign Affairs, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 443, Postal Laws and Regulations, to wit: 1. That the names and addresses of the publisher, editor, managing editor, and business managers are: *Publisher, Council on Foreign Relations*, Inc., 25 W. 43rd St., New York City; Editor, Hamilton Fish Armstrong, 25 W. 43rd St., New York City; Business Manager, F. D. Caruthers, Jr., 25 W. 43rd St., New York City. 2. That the owners are: Council on Foreign Relations, *Inc.* (no stockholders — about 400 members); Pres. John W. Davis, 15 Broad St., New York City; V.-Pres., Paul D. Cravath, 15 Broad St., New York City; Sec'y-Treas., Edwin F. Gay, 25 W. 43rd St., New York City. 3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: none. 4. That the two paragraphs next above, giving *the names of the owners, stockholders,* and *security holders,* if any, contain not only the list of stockholders and security holders as they may appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or *in any other fiduciary relation, the name of* the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's *full* knowledge and belief as to the circumstances and conditions under which stockholders and security *holders who do not* appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this *affiant has no reason to believe that any other person,* association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

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Sworn to and subscribed before me this 24th day of March, 1930
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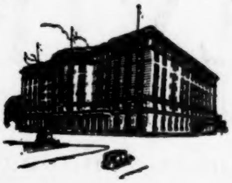

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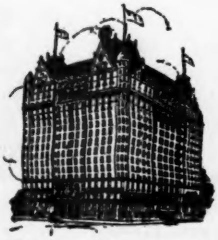

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